BUDGET SPECIAL

THE TIMES

35P

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BEST FOR ANALYSIS

ANATOLE KALETSKY
ANNE ASHWORTH
PETER RIDDELL
MATTHEW PARRIS
TIM CONGDON



HENMANIA HITS NEW HEIGHTS

Wimbledon
PAGES 3, 56

BEST for JOBS

TWO SECTIONS

Graduates 25K
Managers 70K
Marketing 85K
Executives 100K

36 PAGES OF APPOINTMENTS

Brown's windfall service

Cash for schools and NHS: drivers and smokers hit

BY PHILIP WEBSTER
POLITICAL EDITOR

GORDON BROWN produced an unexpected £3 billion boost for schools and hospitals yesterday in a radical tax-raising Budget that included a five-year stability plan to end the years of boom-and-bust in the British economy.

In Labour's first Budget for 18 years, the Chancellor acted to cool the economy, boost investment and gradually wipe out the budget deficit. The aim was to equip Britain for the next century and "lay the foundations for tomorrow's wealth".

He hit big business, with a £5 billion windfall tax on 30 companies, and pension funds and future pensioners with the scrapping of the tax relief on dividend income. That will raise more than £2 billion this year and £3 billion next.

Home-owners, motorists, drinkers and smokers will also have to pay more to meet what Mr Brown's priorities. He described his 60-minute speech as a people's Budget, while the Tories called it a tax-and-spend Budget and claimed that it included 17 tax rises.

But even with the tightening of fiscal policy that means an extra £5.5 billion in tax revenue this year and £4.75 billion next, the City predicted that Mr Brown had not done enough to stave off higher interest rates — possibly next week.

Mr Brown had promised before the election that he would stick to the Conservatives' agreed public spending levels for the next two years, but he delighted Labour MPs by announcing that he would be raiding next year's contingency reserve — the money set aside for unforeseen events — to give the health service an extra £1.2 billion and education an extra £1 billion.

Schools will also receive £1.3 billion from the proceeds of the windfall tax on privatised utilities over the next five years to improve classrooms and equipment.

Along with £200 million to help lone parents back into work and training help for 50,000 youngsters to become child care assistants, these were measures that Labour MPs had hoped for but not expected. Mr Brown and Tony Blair agreed that the Chancellor should raid the contingency reserve to finance extra spending on health and education last December as they prepared to announce that Labour would accept the previous Government's spending totals and rule out rises in the standard and top rates of tax. They also agreed that they would have to make an early announcement of extra spending in the two key areas to prevent a crisis next winter.

Mr Brown pleased small and medium-sized business by cutting corporation tax to a record low of 31 per cent and by cutting the tax rate on small companies from 23 to 21 per cent.

He confirmed that he was imposing a windfall tax of £5.2 billion pounds on the "excess" profits of utilities that Labour believes were privatised too cheaply by the Tories. It will be used to finance a "new deal" for 250,000 young jobless by offering them a "ladder of opportunity" into work.

Some £2.1 billion will be raised from the electricity companies, £1.65 billion from the water companies, and £1.45 billion the rest. British Telecom, which had threatened legal action, is likely to have to pay about £500 million.

Mr Brown sought to emphasise the Government's "green" credentials by announcing tax advantages for buses and lorries that meet tough emission standards and by raising the price of petrol and diesel by 4p a litre. But he was criticised by environmental groups for keeping his pension of reducing VAT on domestic fuel to 5 per cent.

He also tried to take steam out of the resurgent housing market by trimming the tax relief homeowners get on mortgage interest payments and by increasing the stamp duty paid by people buying expensive homes. Mortgage interest relief is to be cut by a third to 10 per cent from next April, and stamp duty is to rise from 1 to 1.5 per cent on houses costing more than £250,000 and to 2 per cent on those over £500,000. "I will not allow house prices to get out of control," he said.

Mr Brown warned that rapid consumer spending risked sparking an unsustainable boom. "I will not ignore the warning signs and I will not repeat past mistakes. This and future budgets will be addressed to laying the foundations for tomorrow's wealth. This a Budget equipping Britain for the future, meeting the people's priorities — a people's Budget for Britain's future."

In his immediate response, the Opposition Leader William Hague said that Tony Blair had meant not a word of his election pledge that he had no plans to increase taxation.

Mr Brown had tried to portray "fat cats and stripe-shirt speculators" as the losers from the windfall tax, he said. "The Chancellor is looking for a free lunch from the windfall tax, and he will find it is not available. Anyone with a pension, anyone with an insurance policy, anyone who has to pay a telephone bill, anyone who is working hard to build up a nestegg for the future, will be hit by the windfall tax."

The tax credit changes were "a smash and grab raid on pension funds. It was a cynical betrayal of the millions who had built up pensions and now saw them devalued.

The decision to abolish tax relief on health insurance for people aged over 60 would affect 600,000 pensioners. He said: "It is an utterly vindictive way in which to raise extra money for the Treasury."

ANATOLE KALETSKY

"Well done, Gordon. This was the phrase that kept running through my head"

— Page 9

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"Cheer up, perhaps Spam will go up in the next Budget"



BUDGET SUMMARY

Domestic fuel
VAT on fuel and power cut to 5 per cent from 8 per cent from September. Gas levy reduced to zero from April 1998, cutting average bills by 2 per cent. Fuel bills will fall by £90 compared with last year.

Cigarettes and alcohol
Packet of 20 cigarettes up 19p from December 1. Alcohol duties to be reviewed; meanwhile duties will rise in line with inflation, adding 19p to a bottle of spirits, 1p to a pint of beer, 4p to a bottle of table wine and 1p to higher strength alcohol, including alcopops, from January.

Motoring
Petrol up 4p a litre (18p a gallon). Unleaded to cost 64.7p a litre (294.1p a gallon). 4-star up to 70p a litre and diesel to 66.1p. Vehicle excise duty up by inflation rate.

Housing
Mortgage interest tax relief cut from 15 per cent to 10 per cent, adding £10 to monthly payments. Stamp duty increased from 1 per cent to 1.5 per cent for property sales above £250,000 and to 2 per cent for sales above £500,000.

Corporate tax
Corporation tax for large firms cut by 2 per cent to 31 per cent and for small firms by 2 per cent to 21 per cent, backdated from April 1997. Advance Corporation Tax rate unchanged but foreign income dividends scheme axed from April 1999. Tax credits paid to pension funds and companies abolished immediately.

Windfall tax
The windfall tax on privatised utilities will raise a net £4.8 billion to fund the welfare-to-work programme, payable in two instalments in December 1997 and December 1998.

Health, education
Extra £1.2 billion for the NHS. Schools get £2.3 billion, of which £1 billion goes to fund education and £1.3 billion for capital investment. Tax relief on private health insurance for over-60s scrapped.

Film industry
British films with budgets of £15 million or less will be able to write off 100 per cent of production and acquisition costs. The measure is expected to cost £30 million over three years.

Welfare to work
Employers to get £75 a week to provide work for long-term unemployed in a £3.5 billion programme funded from windfall tax and reserves. Up to £200 million for advice, training and after-school support for single parents.

Income tax
Income tax rates and allowances unchanged. A 10p rate of income tax will be introduced "as soon as it is prudent".

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City expects rise in interest rates

BY ALASDAIR MURRAY, ECONOMICS CORRESPONDENT

THE CITY is braced for an immediate rise in interest rates after concluding that the Budget will not slow the booming economy. It believes the Bank of England will raise rates by up to half a point next week.

Economists predict that rates could now rise as high as 8 per cent by the end of the year, from 6.5 per cent now, as the Bank acts to curb soaring consumer spending and the threat of higher inflation. A 1.5 per cent rise in interest rates would add about £84 a month to a £50,000 mortgage.

The Bank of England broke with its tradition of neutrality to issue a statement saying it welcomed the Budget and that it would help in dealing with the "policy dilemma" created by the need to control inflation without sending the pound much higher through interest rate rises. But the pound yesterday jumped nearly four pfennigs against the German mark to a five-year high of DM2.9305 and is now expected to head towards DM2.95. The pound also climbed 2 cents against the dollar to $1.67.

The Stock Market closed up 23.1 points at 4751.4 after learning of the unexpected cut in corporation tax from 33 per cent to 31 per cent. But dealers expect the market to open substantially lower today, falling between 30 and 50 points, after analysts have had a chance to take a second look at the detail.

Economists said Mr Brown had failed to deliver the consumer tax rises needed to slow the economy despite claiming in the Budget speech that he would "not ignore the warning signs" of strong consumer spending.

Richard Jeffrey, UK economist at Charterhouse, said: "It is a virtual Budget ... the tax rises are not going to amount to very much."

Millions hit by tax raid on pension schemes

BY CAROLINE MERRELL AND PAUL DURMAN

MILLIONS of people who belong to pension schemes could see the value of their pensions fall as a result of the abolition of a tax rebate enjoyed by their funds.

The changes will produce an extra £5 billion for the Treasury, half of which will come from pension funds in what was described as the biggest attack on funded pensions provision since Robert Maxwell

Hardest hit will be the five million people who joined personal pension schemes — many of whom are already suffering as a result of the mis-selling debacle. But many company scheme members will also suffer, and some of the biggest occupational schemes will become technically insolvent. These include BT, which has promised to make up the shortfall for its 370,000 members.

Under Advance Corporation Tax companies pay tax on the dividends they distribute to shareholders and then deduct it from their eventual corporation tax bill. Tax-exempt shareholders, such as pension funds, charities and PEP holders, can then reclaim the tax paid by the company from the Inland Revenue.

Now that pension funds will no longer be able to reclaim that money their investment returns will fall by about 0.75 per cent and experts suggested that the value of the British stock market could fall by about 10 per cent as investors switched to government bonds or overseas companies. But the City reacted calmly with the FTSE 100 Index closing up 23.1 points at 2751.4.

Gordon Brown defended the move in his Budget speech, pointing out that many pension funds were in substantial surplus, with companies taking "pension holidays", so they should not feel the loss too badly. That view was supported by Denise Joseph and Andrew Meeson of the accountants Price Waterhouse.

However, the National Association of Pension Funds, which represents employers and pension fund managers, said that the decision was a disaster. Peter Murray, the chairman, said: "This is the biggest attack on pension provision since the war. This measure will take over £50 billion of extra pension contributions from public and private sector employers over the next ten years. Even Robert Maxwell only took £400 million."

Mr Murray predicted that the change would lead to higher Council Tax and cuts in local services as councils cut jobs to ensure that their pension schemes were funded in accordance with the 1995 Pensions Act.

James Stewart dies at 89

JAMES STEWART, the lanky, slow-talking actor whose film characters embodied decency and moral courage, has died at his Beverly Hills home after a heart attack. He was 89.

A former amateur magician, Stewart conjured up some of the most memorable performances in cinema history, appearing in more than 75 films. He won the Academy Award for best actor with *The Philadelphia Story* received Oscar nominations for four other films.

Besides starring in such righteous tales as *The Man Who Shot Liberty Valance*, *Destry Rides Again* and *The Flight of the Phoenix*, he played more troubled characters as in Alfred Hitchcock's *Vertigo*. But he was best known for his role as a suicidal businessman who finds redemption in *It's a Wonderful Life*, which he said was his personal favourite.

In common with the roles he played, Stewart was modest to the point of shyness, making little of his wartime heroism. He enlisted nine months after Pearl Harbor and became Chief of Staff of the Eighth Air Force's Second Combat Wing in Norfolk. He rose from private to colonel and as a bomber pilot completed 25 missions over Germany, winning the Distinguished Flying Cross, the Croix-de-Guerre and the Air Medal.

Henman in last eight

BY JOHN GOODBODY AND STEPHEN FARRELL

TIM HENMAN yesterday joined fellow Briton Greg Rusedski in the last eight of the Wimbledon singles, hailing his victory over Richard Krajicek, the defending champion, as his best performance.

The Dutchman said afterwards that it was like "playing against the whole of England", as the 13,000 crowd on the Centre Court and millions of television viewers willed Henman towards a quarter-final match today against Michael Stich, of Germany, the 1991 champion.

"Henmania" overwhelmed the traditional reserve of the All England Club, with fans painting his name on their faces and T-shirts and chanting as the No 14 seed completed a 7-6, 6-7, 7-6, 6-4 win over the Dutchman, the No 4 seed. It is the first time since 1961 that two British men have reached the quarter-finals.

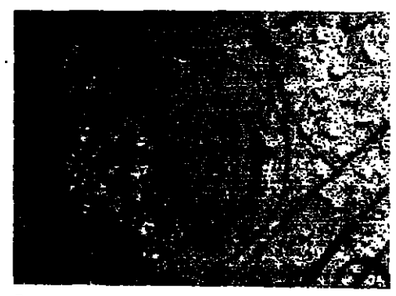
Henman, 22, said: "This is the biggest tournament of the world and I have just beaten last year's champion. So I think it's probably the biggest win of my career so far."

Rusedksi meets Cedric Pioline of France today.

Game of two eras, page 3
Match report, page 56



SUMMER WEATHER



SUMMER WHETHER OR NOT

Henley Royal Regatta	2-6 July
3rd Cornhill Test Match v Australia, Old Trafford	3-7 July
The Royal Pageant of the Horse	5 July
Hampton Court Palace International Flower Show	9-13 July
Henley Festival of Music and the Arts	9-12 July
British Grand Prix, Silverstone	13 July
126th Open Golf Championship, Royal Troon	17-20 July
Final, Veuve Clicquot Gold Cup Polo, Cowdray Park	20 July
Glorious Goodwood	29 July-2 August
Cowes Week	2-9 August

Veuve Clicquot
CHAMPAGNE OF THE SEASON

هكذا من الأصل

Sack threat to 15 staff at failing school

BY DAVID CHARTER, EDUCATION CORRESPONDENT

A FAILING school has told half its teachers they will be sacked at Christmas unless they meet tough improvement targets.

The first "fast track" dismissal threat to incompetent teachers was made to 15 staff at Ingram High School in Croydon, south London.

Nine remain under threat. it emerged yesterday, because two senior members of staff are being switched to other schools, two are leaving this term and two newly qualified teachers have been spared.

The move comes during the Government's consultation on speeding the removal of poor teachers. At present, it usually takes two years to go through every stage of the disciplinary process.

In a challenge being seen as a test case, the largest teachers' union opposed the move and yesterday called a ballot of members in Croydon over industrial action.

Ingram High, a boys' comprehensive, was among the 18 schools "named and shamed" by the Government in May and given four months to improve or face a "fresh start" under new management.

The Croydon move comes during a government consultation with unions and local authorities on ways to remove poor teachers quickly. Ingram High governors said they were using an exception under current rules to speed up dismissals in extreme circumstances, but the National Union of Teachers, of which the nine members under threat at the school are members, accused the authority of flouring agreements.

Roy Grantham, vice-chairman of governors at the school, said: "We are offering help to the teachers and we will certainly talk to them about what further training they will need. Some will fall by the wayside and some will get over the stile."

He said the teachers were identified by inspectors' reports, the head and deputy head. Governors had sat in on lessons.

Mr Grantham added: "We have made appeals to the teachers but we cannot go on and on. We have an obligation to the boys, an obligation to the school and to this part of Croydon to establish good standards. Otherwise matters will be taken out of the hand of Croydon and in our view that will be worse for teachers."

The school, where 22 per cent of boys gained good grades in five GCSEs last summer and a third of pupils have special needs, was judged to be failing by inspectors two years ago, and its head teacher was replaced in January 1996. But half the lessons have been found poor by inspectors and although expulsions have been halved, discipline remains a big problem.

The Department for Education and Employment said it viewed the move as "wholly appropriate". A spokesman added: "Unacceptable performance by teachers cannot be accepted. Children only have one chance of a decent education and that cannot be put at risk."

Hugh Malyan, Croydon's education chairman, said the 15 teachers would be given "every support possible" to help them to improve. But by the end of the autumn term, if their performance had not improved to the point where 90 per cent of their lessons were satisfactory or better, they would be dismissed.

Doug McAvoy, general secretary of the NUT, said an "indicative ballot" would be held before September to ask members about industrial action if the authority pressed ahead with its plans.

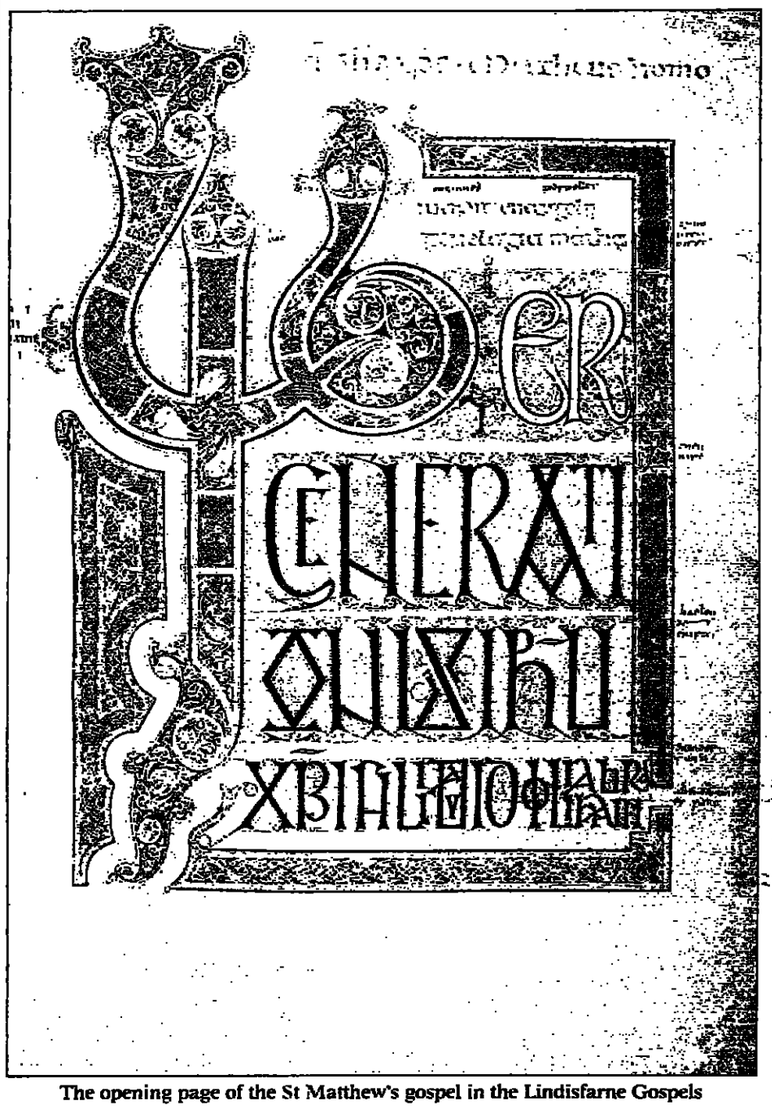
"The Government has set up a working party to work towards reaching an agreement with teachers' organisations and employers," he said. "It is not proposing unilaterally to tear up existing agreements. That is what Croydon has done."

Graham Clure, branch secretary of the National Association of Schoolmasters and Union of Women Teachers, which has one member among the 15, said: "We are extremely concerned because this has got implications for all teachers in Croydon. We feel that teachers are being picked on for political reasons."

ROBIN MAYES



A view from the site of the Lindisfarne Monastery on Holy Island, where monks in the seventh century illuminated the gospels



The opening page of the St Matthew's gospel in the Lindisfarne Gospels

'Lindisfarne Gospels must stay in London'

The British Library rejects a plea from the North, says Dalya Alberge

THE British Library yesterday rejected a call for the Lindisfarne Gospels to be repatriated to the North-East, where it was created in the seventh century.

Brian Lang, director of the British Library, told a delegation of councillors from the North-East that their request was "out of the question".

The gospels, a masterpiece of early medieval European illumination, is one of the jewels of the library's collection. "This is a national treasure," Dr Lang said. "People from all over the world come to see it."

At the British Library, it was viewed by six million people every year, he said, in contrast to just 75,000 who viewed it in a loan exhibition in Newcastle last year. It was appropriate for the gospels to be displayed with the Magna Carta and other "great world treasures".

Ken Morris, managing director of Northumberland County Council, said there was huge interest in the North-East about repatriating the gospels. Every authority in the North was behind the campaign. He accepted, however, that securing a loan was their most realistic option.

Dr Lang suggested a digital version, at a cost of £100,000, that simulates turning the pages of the real thing. Both the library and the North-East would have access to it. "Our mission is to widen access to our collection. We are the 'people's library'."

The gospels were created on Holy Island, off the coast of Northumberland, and were dedicated to St Cuthbert. The finished work is believed to have been taken by monks fleeing Viking invaders in 876, eventually finding a home at Durham Cathedral. It was then looted during the dissolution of the monasteries. Some local people would like it to be returned to Durham, where St Cuthbert is buried.

Dr Lang explained that after "a murky period" the work turned up again in the 17th century and was left to the nation in 1702. "Then it became part of the British Library. So it has not been in the North-East since 1530."

☐ A decision to introduce admission charges to Merseyside's galleries has provoked the art historian Sir Denis Mahon, 86, into withdrawing his bequest of three 17th-century paintings paintings to the Walker Art Gallery.

Leading article, page 25

NEWS IN BRIEF

Loyalists threaten killings in republic

A breakaway loyalist terrorist group threatened yesterday to kill civilians in the Irish Republic if the most contentious Ulster parade is banned on Sunday at Drumcree, Co Armagh (Nicholas Watt writes).

The Loyalist Volunteer Force, outlawed by the Government last month, issued a statement saying: "If the Orange parade does not go down the Garvaghy Road on Sunday, the Irish Government may expect civilians to be killed in the Irish Republic. The Irish Government has to learn that they will not interfere with the internal affairs of Northern Ireland."

Bertie Ahern, the new Irish Prime Minister, said in Belfast on Tuesday that it would be a mistake to force the parade down the Catholic road. Mo Mowlam, the Northern Ireland Secretary, met residents last night.

Passport dispute

A dispute has broken out over a decision to award a German or American company control over inputting personal details contained on British passports. Public service unions believe that work under the contract, worth about £130 million over ten years, should be carried out by officials who are subject to a strict confidentiality code.

New cancer test

A new method of detecting breast cancer, using magnetic resonance imaging combined with a contrast-enhancing dye, can distinguish between benign and malignant tumours, and could reduce the need for biopsies. In the method, developed in Israel, benign and malignant tumours appear on a screen in different colour patterns.

58 fast abortions

More than 50 women have undergone so-called lunchtime abortions. The new ten-minute procedure, provided by the charity Marie Stopes International, has been criticised by anti-abortionists as barbaric. The organisation said that since the beginning of last month, its clinic in Leeds has admitted 58 women for the service.

Resignation call

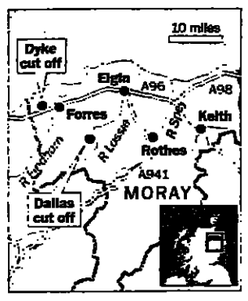
Martin Mears, the solicitor contesting the Law Society presidency, is to make a formal complaint to the Master of the Rolls unless action is taken against Simon Baker, a society council member and the author of a note outlining tactics aimed at blocking his re-election. Mr Mears is calling for his resignation.

Law, pages 46 and 47

Poppy venture

The Royal British Legion is to launch its own record label, featuring the poppy, as part of a campaign to increase its income by £8 million a year to £40 million. Mike Vernon-Powell, controller of fund-raising, said the venture would be more Spice Girls than Dame Vera Lynn. "We will have pop music, heavy metal, as well as classical."

Flotilla helps families to escape Scottish floods



BY GILLIAN BOWDITCH, SCOTLAND CORRESPONDENT

ABOUT 1,000 people were evacuated from their homes in Moray and road and rail services severely disrupted when rivers and burns burst their banks after days of heavy rain.

The coastguard and Royal Findhorn Yacht Club offered a flotilla of small boats to help the rescue operation. The villages of Dyke and Dallas were cut off yesterday as the water level in the streets rose to 3ft in places. The worst-affected towns were Elgin, Forres and Keith. Every home in Forres was without electricity. Hundreds of other homes were without gas and electricity.

More than a hundred people stayed in temporary refuges in Elgin, Forres, Rothes, Lhanbryde and Keith. Other evacuees were taken in by friends and relatives.

Dozens of cars were left stranded and emergency services battled to find a way through to affected areas. Police appealed to motorists to stay at home because of the chaos. The A96 Inverness to Aberdeen road was among those closed. Rail services were also halted. Parts of the main Aberdeen to Inverness line were beneath 3ft of water.

Servicemen from RAF Kinloss and RAF Lossiemouth worked throughout Tuesday night, evacuating homes and filling sandbags. By yesterday morning the supply had been exhausted. A helicopter from RAF Lossimouth toured the area with a team from Grampian Police to look for people cut off by the floods.

John Summers, director of technical and leisure services for Moray Council, said: "This is the worst we have ever seen at this time of year. But the community spirit has been tremendous. The public have really rallied round."

Kathleen Moir, 42, and her six children were evacuated from their home in Elgin in the early hours and put up in a refuge. "We were terrified for the children because the water was so deep it covered their heads. The Fire Service had to come and help us out. We have lost all our belongings, our clothes and our shoes," she said. The total cost of the damage is expected to run into millions of pounds.

Margaret Ewing, Scottish National Party MP for Moray, said: "Already extensive costs have been accrued in the provision of labour and emergency services. In the longer term there will be costs involved in repairing roads, drains and houses and meeting the financial losses to nurseries and farms. My heart goes out to all those who have seen their properties devastated."

Forecast, page 28

Doctors back cannabis treatments

BY IAN MURRAY, MEDICAL CORRESPONDENT

DOCTORS called yesterday for drugs derived from cannabis to be legalised for the treatment of seriously-ill and dying patients.

A large majority at the annual meeting of the British Medical Association backed a motion by a GP from Lancashire, seconded by a teacher at Saint Bartholemew's Hospital in London, that the time had come to decriminalise a range of drugs that research proves can ease suffering.

The association's board of science and education is preparing a report on the medical use of cannabinoids — drugs derived from cannabis — which is due to be published in September. The draft report backs decriminalisation and the decision will add strength to the case the council will put to the Government urging it to allow doctors to prescribe these drugs.

"There are many conditions like multiple sclerosis and cancer where symptoms could be controlled by drugs we are not allowed to use," Upen Pati from Sefton said.

Steven Hajioff said increasing evidence showed that cannabis-based drugs helped people who were suffering from such things as anorexia or nausea caused by chemotherapy. People were buying it illegally because they knew it helped them. "This is ridiculous," he said. "The sick and dying should be able to turn to their doctor for help and not their drug dealer."

However, Edward Tierney, a GP from Rochdale, said that cannabis might ease pain but it impaired the ability to fly, drive or work machinery, and caused agitation, anxiety and apathy. "Joints" with cannabis had three times the level of tar of ordinary cigarettes and five times the amount of carbon monoxide. The conference was, however, unanimous in condemning tobacco and alcohol manufacturers.

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And the crowd goes wild... Henman supporters unable to get into Centre Court yesterday show their delight as his winning score appears on the results board in the grounds



Photographs by NEIL MUNNS/PA and CAROL NEWSOM/REUTER

Winning way in game of two eras

Stephen Farrell and **John Goodbody** savour an historic British double

WIMBLEDON rarely witnesses crowd scenes such as those that greeted Tim Henman yesterday after a victory he described as his best ever. Certainly not the last time two Britons reached the men's quarter-finals. In 1961, polite applause was the order of the day.

After Henman had beaten the defending champion Richard Krajicek on Centre Court, the growing army of "Henmaniacs" went into raptures.

More than 1,000 fans have been queueing each night outside the All England club for Centre Court seats on sale up to the second Wednesday of the tournament. Some have slept outside the gates each night since the beginning of the championships, determined to see their hero play.

The most voluble, and visible, are a fanatical party of nine from Canvey Island and Ipswich. They are made up of two families who met in a Wimbledon queue seven years ago. Their outsize Union Jack, top hats and flat caps are always in the front row on Centre Court as they lead the crowd's chanting.

Alan Brackett, 49, a BT contractor who leads the group, was almost hoarse with joy. "It's great. I think Krajicek was beaten when he came out. Henman's a winner, isn't he?"

Mr Brackett, his family and their friends Sarah and Julia John, from Ipswich, sleep under tarpaulins each night. For six years they met only at Wimbledon, but last year began travelling together to see Henman and his British rival, Greg Rusedski, at the British championships in Telford and the Davis Cup.

Another devoted fan in the queue, Caroline Ford, 18, from Andover, Hampshire, missed out on a Centre Court ticket, so watched her idol on a huge video screen in the grounds. "I love tennis but it's been really boring supporting the British players for so long. Now it's really exciting."

One surprising absentee was Jean Tyson, 43, co-founder of Topspin, the official Tim Henman fan club. She and a friend, Denise Kimble, set up the club last November. Ms Tyson will be one of six devoted supporters flying to Ukraine next week to cheer Henman in the Davis Cup. "I can't afford to do both."

Not only are the supporters very different than they were 36 years ago, but so are the players. According to Bobby Wilson, who in 1961 reached the quarter-finals along with Mike Sangster, "it's a different game now".

"I must admit I don't like the aggression, although it is necessary. In my day we shook hands over the net and went into the players' canteen and very often had a chat about the match. You can't be friendly any more, they hardly even shake hands."

Sangster is now dead, but Wilson, who like Henman beat the defending champion, the Australian Neale Fraser, was back in SW19 this week to watch his successors repeat his feat. Wilson, 61, believes Henman and Rusedski have the self-belief he never had to take them past the last eight.

"I thought I could beat anyone on a particular day," he said. "But I didn't really think I could win Wimbledon. That is one of the reasons I didn't. It never entered Fred Perry's mind that he could lose and, like Fred, both Henman and Rusedski think they have a real chance of winning."

Wilson was famous for wearing a knotted white handkerchief around his neck, but his performances belied the casual appearance and he appeared in four Wimbledon singles quarter-finals.

He was at Wimbledon on Tuesday to see Rusedski beat Richie Reneberg, comparing his tenacity to that of Mike Tyson in his prime, and saw Henman's resumed match on television yesterday. "I thought it would eventually happen," he said. "I was sure we would have players of the right ability and the right confidence."





Bobby Wilson, right, shakes hands with Neale Fraser in 1961. Fellow quarter-finalist Mike Sangster in action

Wimbledon, pages 52 and 56

A victorious Tim Henman applauds his supporters

Minghella buys US novel for next film

BY DAMIAN WHITWORTH

ANTHONY MINGHELLA, British director of *The English Patient*, is to bring a first novel by an American rancher to the screen after a $1.25 million deal for the film rights.

Minghella, whose movie of Michael Ondaatje's novel earned nine Oscars in March, will direct and write the screenplay of *Cold Mountain*, by Charles Frazier. United Artists won the bidding against three other studios for the rights.

Cold Mountain tells of a Confederate soldier who flees the American Civil War and embarks on an odyssey to return to the woman he loves. The book was reprinted seven times before publication date in America last month and received rave reviews.

Frazier, in his mid-40s, based it on true tales passed down from his great-great-grandfather. He took three years to write the book in between herding cattle at Raleigh, North Carolina. He has has also taught at university and written travel books.

Carolyn Mays, Frazier's British editor at Sceptre, said he was "completely overwhelmed" by the film deal. *Cold Mountain* will be published in Britain on July 17.

Tracie Andrews 'bit fiancé in nightclub row'

BY JOANNA BALE

TRACIE ANDREWS, the woman accused of the roadside murder of her fiancé, bit him on the neck and punched him twice in a nightclub two months before he died, Birmingham Crown Court was told yesterday.

Miss Andrews, 28, has claimed that Lee Harvey, 25, died as a result of a road-rage incident.

Steven Girling, who was at Bakers nightclub in Birmingham, said: "I just saw an argument. It got quite heated. I saw Tracie Andrews bite him on his neck on the left-hand side. She stormed off after that ... He did not retaliate."

Victoria Silcock, a barmaid at the club, told the court that she had taken Mr Harvey into a kitchen to treat the wound to his neck. Asked by David Crigman, QC, for the prosecution, to describe the wound, she said: "It was a cut in the shape like when you bite into an apple." She then described how Mr Harvey returned to Miss Andrews, who "looked angry with her fists clenched". It was then that Miss Andrews punched him twice in the face.

Asked how he reacted, she said: "He didn't. He didn't retaliate." She demonstrated a right hook and said: "It wasn't really hard but it was hard enough to make Lee flinch." She added: "She was shouting at him. She was angry that he was in 'her' club, as she said. She shouted: 'Who are you with? I'm going to get you out.'" Miss Silcock described how Miss Andrews "ordered" Mr Harvey to buy her a Malibu and pineapple, which he did.

Earlier, PC Ian Henderson, of West Midlands Police, said that he saw the couple in a scuffle in Birmingham while on late patrol on October 19. "The female was attempting to strike him and the male was attempting to placate her."

PC David Hind, of West Mercia Constabulary, was called with a colleague the next week to Miss Andrews's flat, where she lived with Mr Harvey. "She was quite aggressive towards him, almost provoking him at some stage."

Shirley Peters, a neighbour, said she had heard long and frequent rows, including one on the day that Mr Harvey had died.

Miss Andrews denies murder. The trial continues.

□ A photograph accompanying yesterday's report in some editions was not that of Lee Harvey, but of a man unconnected with the case. We apologise for the error.

Hair gives new clue in family death hunt

BY ADRIAN LEE

A DNA sample taken from a single strand of hair found near the battered bodies of Lin and Megan Russell could provide a breakthrough in the year-long hunt for their killer.

Police confirmed yesterday that 20 local people had been DNA-tested recently after a scientific advance that has allowed DNA to be obtained from a hair found at the scene. Previously DNA could be taken only from hair roots that were living, as well as blood and semen.

Mrs Russell, 45, and Megan, 6, were murdered as they walked through fields at Chillenden, Kent. Another daughter, Josie, now ten, survived with a fractured skull.

The development was made by the Forensic Science Service and disclosed by Janet Thompson, the organisation's chief executive, to the surprise of the police who had kept the existence of the hair secret. A force spokeswoman said: "We would have preferred not to have had it released."

She added: "The 20 people are not suspects, as such, but their names are in our system. We are optimistic that the new technique will help but it is too early to say what the results will be."

Actor recalls his time as a rent boy

FROM GILES WHITTELL IN LOS ANGELES



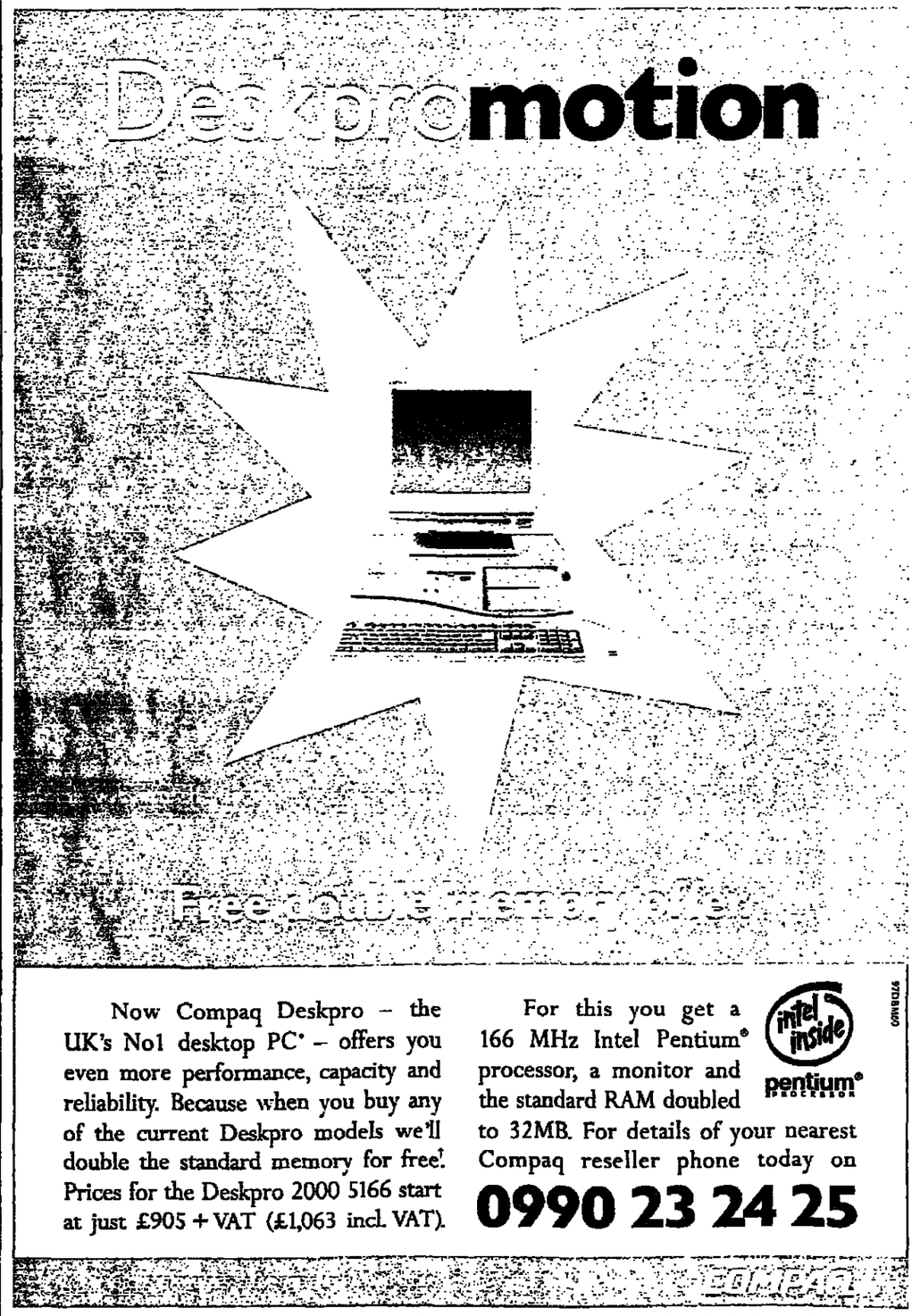
Everett: endured rough treatment from clients

THE British actor Rupert Everett, on the brink of stardom in a film opposite Julia Roberts, has admitted that he has worked in London as a male prostitute.

Mr Everett told *US* magazine that he "fell into" prostitution when propositioned by a man outside a London Underground station, and endured rough treatment from homosexual clients. "I didn't set out to hustle, but this guy offered me such a massive amount of money ... and it just came in really handy." Mr Everett said. The actor, who is open about his homosexuality, has hinted at a dual life before in interviews and a semi-autobiographical 1992 novel, in which an upper-class brigadier's son turns to prostitution while trying to build a drama career. He has never spoken so candidly of his past, however, and is taking a big risk with his career by airing his reminiscences before an American film industry still squeamish about homosexuality in lead roles.

"The first time is fine," he told the magazine of his time as a rent boy. "Then you're knocked about a bit on your third night of work. You go back four days later with a bruise and get knocked about again, but you've got a knife so you're OK. It becomes second nature."

Mr Everett is the toast of Hollywood for his role as Julia Roberts's homosexual friend and mentor in the romantic comedy *My Best Friend's Wedding*. TriStar Pictures has also accepted his proposal to write and star in a film about a homosexual British secret agent.



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The men who tried to shut London

Bombers given 35 years for plot to blow up power supply,

Stewart Tendler reports

SIX terrorists were each jailed for 35 years at the Old Bailey yesterday for plotting to blow up London's electricity supply. The total power failure would have cost the lives of patients and drivers at traffic lights, crippled businesses and taken months to repair.

The IRA team was foiled just in time because Scotland Yard and MI5 deployed more than 300 officers on a ten-day surveillance operation, after some of the known terrorists were spotted in London. Tracker devices were put on their cars and their "safe houses" were bugged. When officers burst into their store of 37 time bombs, the batteries were being charged ready to be placed at six huge substations linking the national grid to London and the South East.

The gang was led by Gerard Hanratty, released from prison in Northern Ireland only a few months earlier. His team included Donald Gannon, one of the IRA's top bomb designers, and John Crawley, a former US marine. Police suspect that Gannon and other members of the gang could have been involved in the Manchester lorry bombing last June.

Passing sentence, Mr Justice Scott Baker said: "You were reckless as to the number of people who might be killed or maimed as a consequence of your planned bombing. Those who seek to advance a political argument by terrorism can expect no mercy in the courts of this country."

Hanratty, 38, Gannon, 34, Crawley, 40, Patrick Martin, 35, Robert Morrow, 37, John Crawley, 40 and Francis Rafferty, 45, were each convicted of conspiracy to cause explosions. After more than two days of deliberation, the jury acquitted Martin Murphy, 38, who had admitted in the 56-day trial that he was a member of the IRA. After his acquittal, he was rearrested by Scotland Yard's anti-terrorist branch and was being questioned last night.

Murphy said he had come to England as a courier but knew nothing about the explosives plot and said he was not a senior IRA member. In 1984, he was acquitted in Belfast of the murder of a deputy governor at the Maze Prison.

A businessman, Clive Brampton, 36, was cleared of helping the gang. The sentences are among the heaviest handed down by a mainland court in recent years to IRA terrorists. They are also the heaviest given when no bombing or attack was carried out. As the judge passed sentence, there were gasps from the public gallery and one woman shouted out: "You will never serve 35 years."

The bombs were due to explode between 2.15 and 3.15am on July 22 last year. People would certainly have died either in accidents or because of the failure of systems such as home dialysis machines.

The gang rented three homes and a garage in south London to prepare for the attack. Although the IRA was using some of its most experienced operators, they never spotted the men and women watching them.

In mid-July, Scotland Yard and Security Service controllers decided that they could take no further risks and swooped on the plotters, even though there was still no sign of any explosive.

When the first police burst into a basement at Lugard Road, Peckham, south London, they saw the bomb units lined up with their batteries being charged. Fearing booby-traps, the police retreated until an all-clear was given. John Grieve, head of the Yard's anti-terrorist branch SO13, said of the units in wooden boxes: "They reminded me of a row of coffins."

☐ During the operation, police searched 7,000 private garages. One bonus was the discovery of £1 million-worth of drugs and stolen goods, including videos and computers.



Under surveillance: John Crawley on film



Under surveillance: Donald Gannon, left, and Gerard Hanratty, the team leader



Donald Gannon, 34. Deputy head of IRA's engineering department based in Dublin. Reponsible for developing and making new bombs. Known to surveillance teams as "Paradise News".



John Crawley, 40. Born in the US. Claims American-Irish citizenship. US Marine Corp 1975-79. Arrested in 1984 on a trawler with arms cargo. Ten-year sentence. Codename "Another Tomorrow".



Gerard Hanratty, 38. A carpenter, known in Belfast for skill with mortars. Acquitted in 1992 in Germany of attack on army barracks but given 2½ years for importing guns. Codename "Tulip Stem".



Robert Merrow, 37. Born in Co Louth. A fluent French speaker who posed as Frenchman in London. Codename "Bread Board".



Francis Rafferty, 45. Skilled technician. He would have set up bombs at two of the sites. Codename "Excess Money".



Patrick Martin, 35. Living in Northern Ireland. Would have been a driver for two of the bomb runs. Codename "Craft Fair".

How police watched the 'A team'

BY STEWART TENDLER, CRIME CORRESPONDENT

THE jailed IRA men were an "A team" handpicked by the Army Council from their best men to launch a series of attacks that would bring Britain to its knees and force the Government to the negotiating table.

Once London's power supply had been disrupted, there is evidence that the IRA would then have struck at other targets. When the gang were arrested, police found maps for Hereford, where the SAS is based, and Aldershot, home of the Parachute Regiment.

The National Grid has contingency plans to deal with power failures, but during the trial the jury was told that London and many parts of the South East would have woken up to a total power failure if the bombers had succeeded in their plan to plant up to 140 kilos of Semtex high explosive at the substations known as Amersham Main, Elstree, Waltham Cross, Rayleigh Main, West Weybridge and Canterbury North. The bombs would have smashed transformers that convert 400,000 kilovolts into local power transmissions.

MI5 and the police believe that the IRA's Army Council decided to risk sending its best men after a series of setbacks last year involving several specially recruited "lilywhite" terrorists with no criminal record or few Republican links. In February, last year Edward O'Brien blew himself up on a bus in the Aldwych on his way to a target. In March, another bomber dumped a device in a bin in Old Brompton Road, west London. A month later a small bomb blew up in The Boltons without damage or any obvious target. In April, the IRA tried to blow up the Hammersmith Bridge with the largest Semtex bombs seen on the mainland, but the bombers made a crucial mistake and there was no explosion.

The IRA already had other, more capable, bombing teams for massive lorry bombs. One gang carried out the Canary Wharf attack that ended the ceasefire. A second planted the Manchester bomb in mid-June. Those teams were then withdrawn, and the new long-term team started to move into place.

Members began to arrive in London last June with false identities and false passports, and took rooms in the cheap hotels around Paddington Station. The unit had £40,000 in cash to set up a network of safe houses and buy materials for the attack.

Both police and the Security Service are maintaining a strict silence over how they uncovered the new IRA plan. However, one source suggested there was an intelligence breakthrough. Some of the gang were so well-known that they would have been under constant RUC or Garda Siochana watch at home. Once they vanished, a hunt would have started for them. It is understood that several of the gang were spotted soon after they arrived in London and this prompted the initial investigation.



The bomb units: like a row of coffins, said police

The surveillance operation, codenamed Airline, was monitored by the Special Branch control room at Scotland Yard. The statements on the surveillance that were given to the jury amounted to 14,000 pages.

Police believe that the men were to be supplied with devices and material from an IRA bomb factory set up in Clonaslee, Co Laois. Hidden in a bunker, an IRA engineering team was busy putting together new designs for mortars and time bombs.

One of the bomb designs from the factory was to be used by the A team for the attack on the substations, and Donald Gannon probably helped to perfect the device. According to Gerard Hanratty, who built the castings for the bombs in a London hideout, several of the gang had practised attacks on substations in the Irish Republic.

By early July, the team had rented homes and and bought three cars. Nothing was left to chance. Each of the cars was serviced, and equipped with breakdown equipment.

Gannon even visited a public library in Battersea and checked the details of the substations in an electrical industry handbook. He slipped a page showing the national network into his pocket before he left. Surveillance police took the book to fingerprint experts for possible use in court.

The closed-circuit television systems used in many high streets and railway stations were also checked for film that could be used to trace the men's movements for court.

The bomb units were built with 100-hour central heating timers and set up in the basement of a house rented in Lugard Road, Peckham, south London. That was as far as they got before the police raid on July 15.

Commander John Grieve, head of the anti-terrorist branch, said: "They are the most dangerous men ever to come together in one place. These are long-term dedicated members of the IRA. They are the most sophisticated team we have ever seen."

The mission was based on a secret IRA war plan known as the "S plan", agreed by the terrorist inner council in 1939. It was for an extensive sabotage programme to disrupt economic life by blasting power supplies, railways and the London Underground. Attempts at parts of the plan have been carried out over of the years, but the A team's was the most ambitious.

Loud applause for girl's muted success

BY PAUL WILKINSON

VICTORIA ALDERTON has come to the aid of everyone whose child is in the school brass band. The teenager has invented a muffler for her French horn.

She plugs the device into the horn, virtually eliminating the sound audible to others. She can still hear her playing as a microphone set inside the mute relays the sound to headphones.

Victoria, 15, of Scarborough, North Yorkshire, practises the horn for up to three hours a night from 5pm. Her mother Jane said yesterday: "We live in an end-of-terrace house and the noise does tend to travel. You used to hear her playing down the street. The neighbours have been terrific. No one ever made a complaint, but Victoria felt quite self-conscious. She also has three sisters and a brother who are in bed by 8pm so she can now practise until later if she needs to."

Victoria, who has just sat her GCSEs at Raincliffe School and hopes to become a design engineer, invented the gadget, at a cost of £10, as part of her coursework in design and technology. It won a prize in a county technology competition. Christine Bates, head of music at Victoria's school, said that it was hoped more would be made so that students could practise in the same room.



Victoria Alderton's horn mute came second in a technology contest

Leukaemia sister's aid may be in vain

BY RUSSELL JENKINS

A WOMAN suffering from leukaemia, who pleaded with her estranged sister to overcome her phobia of hospitals to donate bone marrow for a life-saving operation, has been told that she is not a perfect match.

In April, doctors told Angela Latham, 34, from Blackpool, that her sister, Susan Squires, 39, offered her the only lifeline as she was the perfect match out of four million people tested worldwide.

Mrs Latham, a mother of two young children, has now been told that her sister is only a partial match, which reduces the chances of an operation being successful.

Mrs Latham said: "I had been on pins the whole time waiting for the test results and then the letter arrived. I still can't believe it as I was convinced there was a chance. Originally I was told by the doctors she was a perfect match. She was a lifeline.

"I am still hoping it can go ahead. It depends on how much the blood reacts when it is put together. The doctors are still hoping it can go ahead. Until I see a specialist I am keeping my chin up as best I can. It is a case of just wait and see."

The episode has healed the rift between the two sisters, who live on the same estate but had scarcely spoken for two years. Mrs Latham said they were now back together as before.

Nickell murder team to disband

The police team investigating the murder of Rachel Nickell, stabbed in July 1992 on Wimbledon Common, London, as she walked with her son Alex, then aged two, will begin to be dispersed in the next two months, Scotland Yard said yesterday.

The decision could lead to two civil cases. A murder case against Colin Stagg collapsed in 1994 and he has threatened to sue police over their investigation, which involved an undercover policewoman who befriended him, a strategy criticised by the trial judge. The Nickell family and André Rainscombe, Alex's father, are reported to be considering a civil action accusing Mr Stagg of the murder.

Food bug hits 17

Seventeen people in St Boswells, in the Borders, have symptoms of salmonella food poisoning after eating ham salad and quiche at a bowling club on Friday. George Miller, a village butcher, has voluntarily removed cooked meat products from his shelves during investigations.

Boy hanged

A 12-year-old boy hanged himself in his bedroom, to which he is thought to have been banished by his parents for misbehaving. Police said that despite the efforts of his father to resuscitate him, Ashley Moran, from Eccles, Manchester, died on Tuesday in hospital.

Butterfly rescue

Lepidopterists trying to save the large blue butterfly hope to establish ten self-sustaining colonies by 2005. The large blue became extinct in 1979 but specimens have been imported. They need habitats rich in thyme, on which eggs are laid, and red ant grubs for the caterpillars' food.

£441,000 Rubens

A long-lost Rubens drawing which was expected to fetch up to £70,000 was sold for £441,500 at Sotheby's. *The Assumption of the Virgin*, belonging to the Earl of Warwick, was found by two of the saleroom's experts in America, where the 7th Earl was an actor in the 1930s.

Fewer tourists

The number of tourists visiting Britain fell 1 per cent to 6.5 million in the three months from February to April, compared with the previous three months, the Office of National Statistics reported. However, the number of North American visitors rose 18 per cent.

Costly choice

Waitrose was the most popular among the nine biggest supermarket chains, despite being the most expensive, in a survey of Consumers' Association members for *Which?* The Co-op, Kwik Save and Somerfield were the least popular. Asda and Kwik Save were cheapest.

1930s car dug up

A man has found a car buried in his front garden. John Jones, of Poole, Dorset, believes that the 1930s Ford Sedan was used as a wartime air raid shelter. Ford said that it would be interested in displaying the car in its heritage museum.

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When a building is described as a toilet, it isn't necessarily derogatory.

A public convenience isn't usually the kind of place where one would stand and marvel at the finer points of architectural design.

But if you happen to be caught short in Westbourne Grove in London, you'll be relieved to find just such an establishment.

As you can see from our picture, this is no bog-standard loo.

It consists of a structural steel frame, a cantilevered polyvinyl roof and a triangular plinth of turquoise-green glazed bricks.

The building owes its existence to a local residents group called the Pembridge Association.

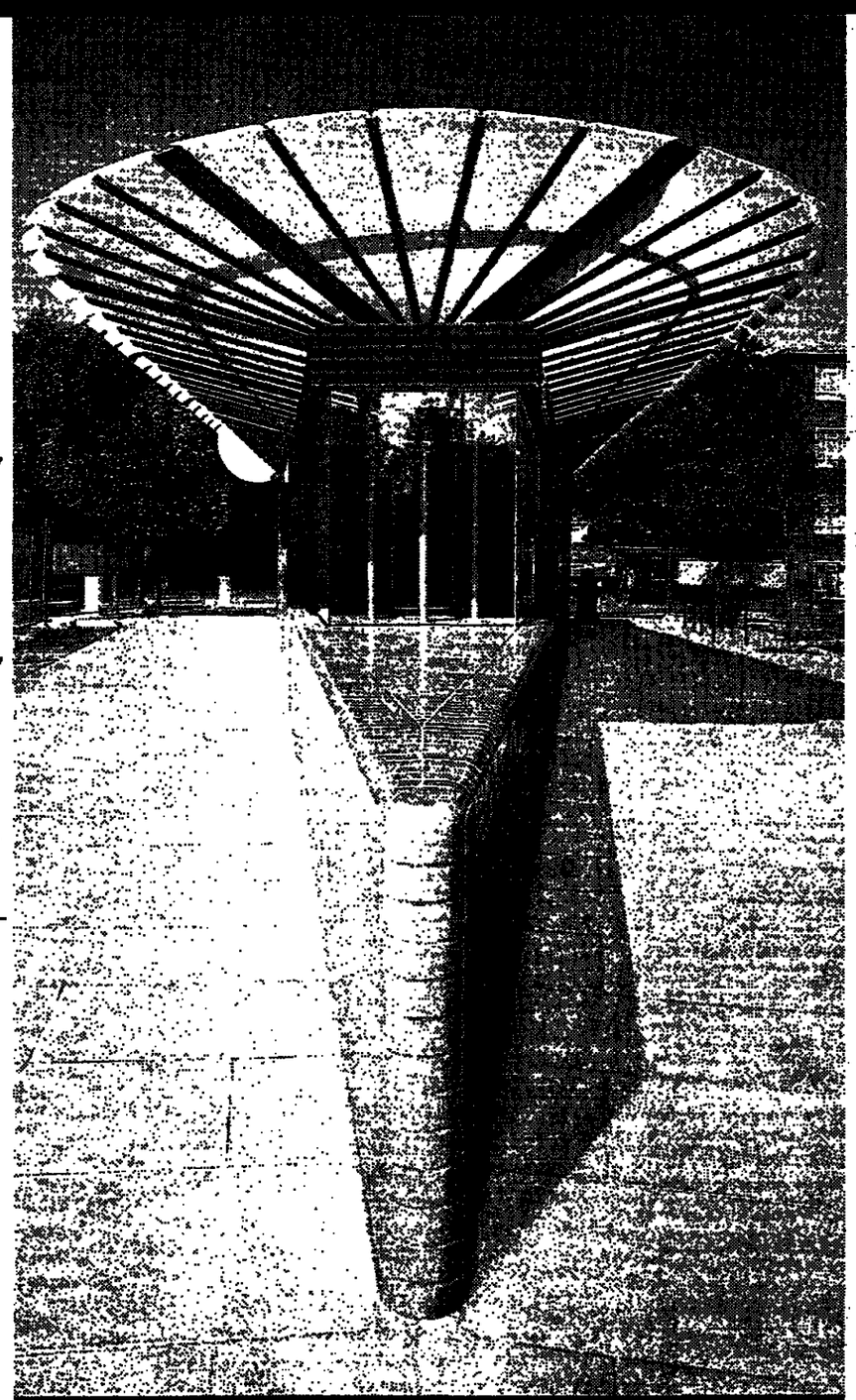
For twenty years, there had been a "temporary" Portakabin-style loo on the site.

Then in 1990, the local council announced its proposals for a permanent replacement.

Having seen the rather disappointing plans drawn up by the borough engineer, the Pembridge Assocation decided to take matters into their own hands.

They instructed architect Piers Gough to come up with an alternative plan, with the proviso that it had to be within the council's original budget.

After two years of negotiation and persuasion (and an injection of £10,000 of the Pembridge Association's own money), the plan was finally approved by the council and the building completed in 1993.



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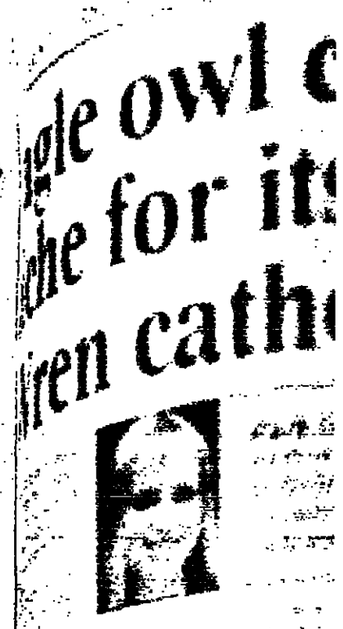
In their own way, they're as worthy of recognition as the nation's wealth of castles, palaces and country mansions.

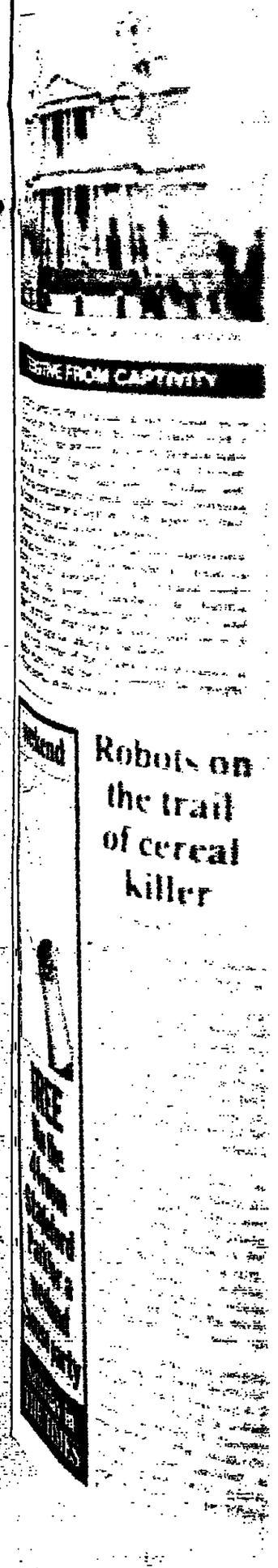
As the eminent designer Margaret Macdonald Mackintosh once said: "The design of a pepper pot is as important as the conception of a cathedral."

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Robots on the trail of cereal killer

Eagle owl carves niche for itself at Wren cathedral



Ruth Gledhill climbed 100ft in search of a rare visitor to Britain which has proved content to confine its sightseeing to St Paul's

AN EAGLE owl has landed at St Paul's Cathedral — attracted by the plentiful supply of pigeons and the cliff-like crevices of Sir Christopher Wren's masterpiece.

Perched between the colonnades, below the cathedral's distinctive stone gallery, bell and lantern, the owl is keeping watch over London by day and helping to keep the pigeon population under control by night.

The owl proved elusive yesterday but has been seen and photographed by members of the cathedral's works department. It is thought to have escaped from captivity.

Mike Dove, 31, a stonemason, was the first to encounter the bird about a month ago, and since then the craftsmen restoring the Portland stone exterior have stared in amazement at the tufty-eared creature, which gazes back steadily for minutes at a time.

Then, leaving behind the remains of its feast from the night before — bits of fur and bone — the bird spreads its 5ft wings and soars down, then up, alighting on the bell tower at the east end of the cathedral. It disappears into the tower, accessible to human beings only by ladder, accompanied by cacophonous screeching from the lesser bird population.

It is thought that the owl may be nesting in the bell tower. There is already a family of kestrels thriving in the clock tower.

Yesterday I stood between the colonnades, having climbed 300 steps above the Whispering Gallery, hoping for a glimpse of the owl, but it had flown. Hanging from the ledges were pieces of fur that might once have belonged to mice, and vast rivers of bird droppings, but no owl. Mr Dove explained how he first suspected that the cathedral had an unusual visitor: "It was the amount of bird droppings coming down. It was definitely not a pigeon."

He thought that it might be a seagull, and resolved to take a closer look. While looking up from a narrow ledge, his gaze was met by an equally bold stare from the bird. "I swore. It was massive," he said.

"It was up there every morning. As soon as we went up, it would give us three to four minutes staring at it. Then it would take off, sweep down and fly up to the bell tower. All the birds around would go mad."

Down below, the men from the works department were debating the bird's size. "It was this big," they said, streching arms as wide as they could go. "It was 18 inches high," said one. "More like 4ft," said another. "It's got a little band on its leg, a jess," he added. "We think it's come here because there is plenty of food. Put it this way: there are no pigeons on the colonnades now."

Owls, the archetypal predators of the night, were considered a symbol of wisdom in classical Greece. Athens was overrun with owls. In Rome, however, they were said to foretell death, and were said to have appeared at the deathbeds of several emperors.

Primitive societies have believed that owls embody the spirits of the dead, and pre-Christian pagans in Britain believed that they were corpse birds from the underworld. In medieval Europe, the birds were associated with the Devil.

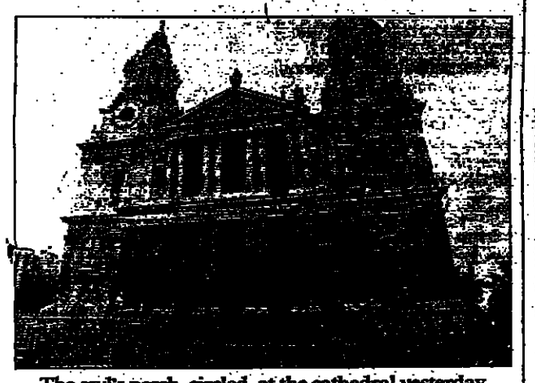
In some countries, owls are feared because they are believed to possess the ability to carry off souls. In Japan, however, they are considered symbols of goodness and are thought to bring good luck.

According to Christian legend, Christ once asked for a cake in a baker's shop, but the baker's daughter gave him half what he paid for. As punishment, she was transformed into an owl.

PETER JORDAN/PA



The eagle owl at rest yesterday. The population of pigeons around St Paul's Cathedral has declined noticeably since the predator's arrival



The owl's perch, circled, at the cathedral yesterday

THE FUGITIVE FROM CAPTIVITY

Ornithologists identified the unusual avian visitor as a Eurasian eagle owl, the biggest of the owl family with a wingspan of up to 5ft. It has not been native to Britain since the last Ice Age (Michael Hornsby writes). Mike Everett, of the Royal Society for the Protection of Birds, said: "There are no known examples of wild eagle owls crossing the Channel, so this must be a fugitive from captivity. They are popular with zoos and falconry keepers."

The eagle owl, *Bubo bubo*, is found across continental Europe and Asia, from the Arctic to southern China. In Europe it is typically associated with forested rocky outcrops, cliffs and ravines. Elsewhere its habitat includes dense forests, mountains up to 13,000ft and deserts. The bird has a wide range of prey, and there is one report of an eagle owl taking a roe deer.

Ashley Smith, director of the Hawk Conservancy at Andover, Hampshire, said the bird should be caught: "Escapers generally do not fare well."



FREE With the 40-rooted Staplehoe Parlour on weekend house party

Saturday in THE TIMES

Robots on the trail of cereal killer

By Nick Nuttall

ROBOTS are being developed to hunt and destroy slugs in fields of crops.

Chris Melhuish, of the University of the West of England, in Bristol, said the robots would vacuum or pick up the slugs before putting them in a digester where they would be fermented. The resulting methane gas would be used to re-charge the robot's batteries.

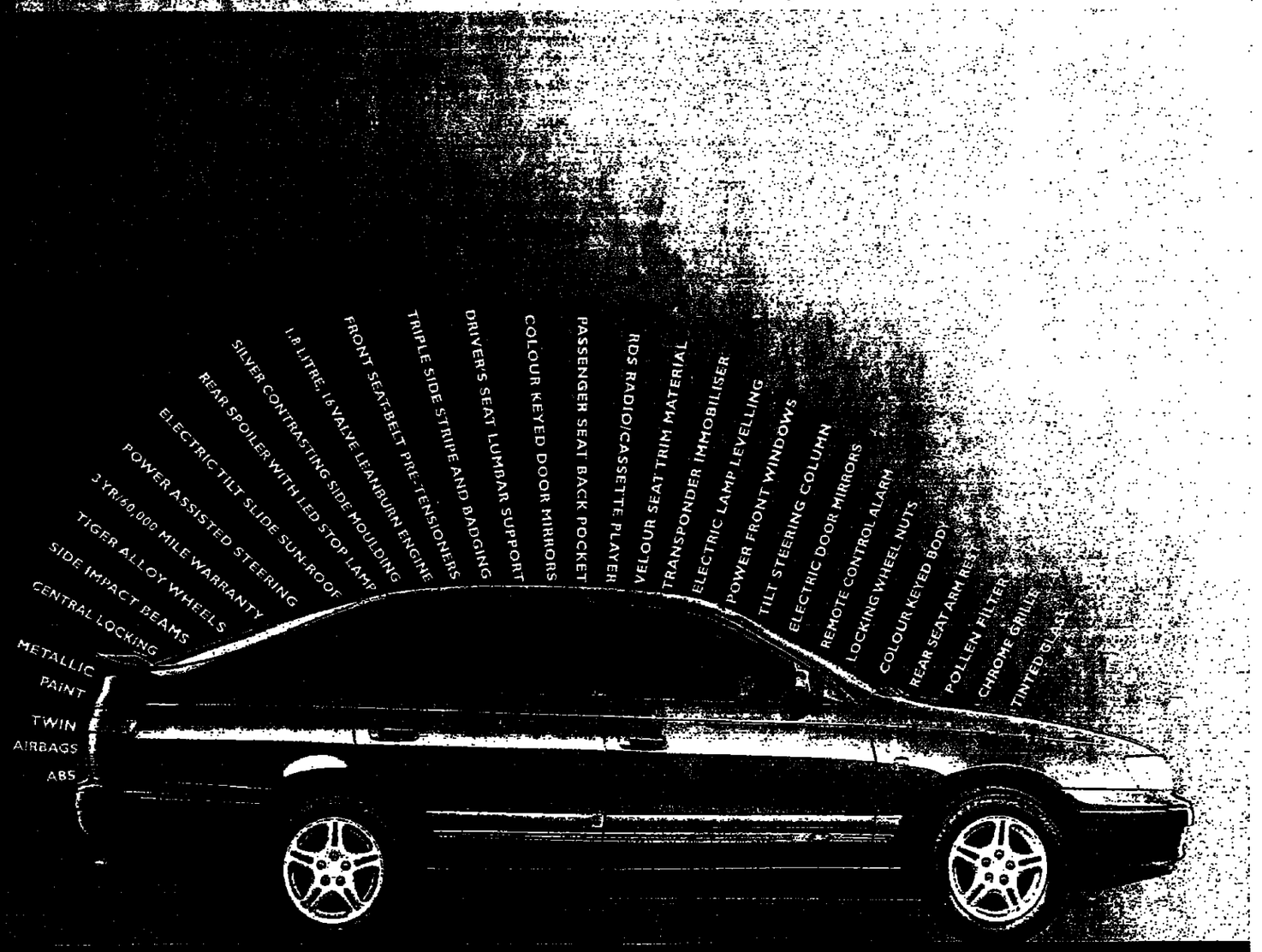
Researchers are keen to ensure that the machines do not also kill snails. The robot may incorporate an electronic eye to scan the shape of the prey to make sure it is a slug.

Farmers spend £10 million a year on slug pellets, whose chemicals can harm the birds and animals that feed on slugs.

Owen Holland, the project leader, said in *New Scientist*: "We are trying to find out if it is possible to build a robot system that needs no human intervention." The researchers, who have secured a £60,000 government grant, hope to have a prototype within two years.

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EU accuses Britain of illegal beef sales

BY MICHAEL HORNSBY, AGRICULTURE CORRESPONDENT

BRITAIN is facing the threat of legal action for violating the worldwide ban on the export of beef imposed by the European Union 15 months ago after the disclosure that "mad cow" disease might have passed to humans.

The European Commission said yesterday that an EU inspection team, which had just returned from Britain, had "confirmed suspicions" that British beef had been fraudulently exported to countries inside and outside the Union.

A European Commission spokesman said in Brussels that Emma Bonino, the Commissioner responsible for consumer affairs, had sent a copy of the team's report to Jack Cunningham, the Minister of Agriculture.

The spokesman said Signora Bonino had told Dr Cunningham that British checking mechanisms were "obviously inadequate", but the Commission refused to say where the smuggling was taking place, how long it had been going on or much beef was involved.

To reveal such information, the Commission said, would prejudice investigations now under way in EU member states to which British beef had been illegally shipped. It added: "The Commission is examining whether the evident inefficiency of controls should result in infringement proceedings."



Bonino: criticises checking mechanism

The statement, jointly signed by Signora Bonino with Franz Fischler, the Farm Commissioner, and Anita Gradin, who is in charge of anti-fraud policy, urged all EU member states to tighten controls on beef imports.

Commission sources said the statement was intended to head off any allegations of a cover-up. However, for legal reasons no details of the investigations could be revealed at this stage.

In a separate move, the European Parliament's Socialist group claimed that 700 tonnes of British beef had been illegally exported by a company in Belgium under a Belgian label to Russia, Egypt and Bosnia as well as to Spain and France.

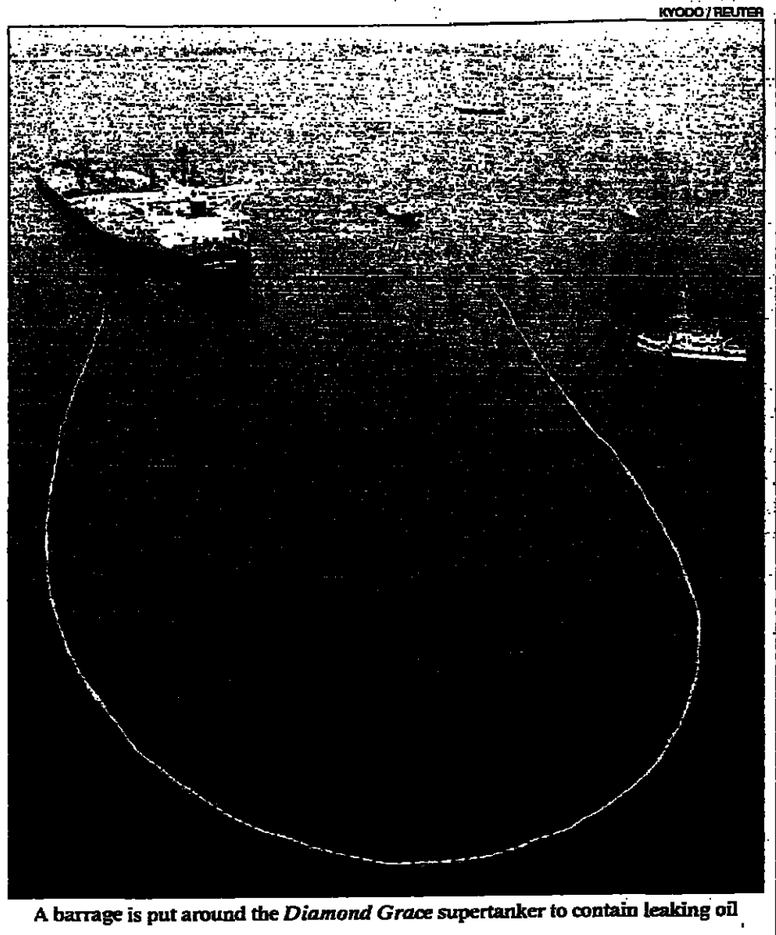
Dagmar Roth-Behrendt, a German Socialist who heads a parliamentary committee monitoring BSE, praised the Commission for disclosing the fraud. "Those who tried to get round the ban and deliberately endanger the health of consumers are guilty of a despicable criminal act", she said.

In Paris, the French satirical weekly, *Le Canard Enchaîné*, reported that Interpol had begun an inquiry into illegal exports of British beef via Northern Ireland. It quoted an Interpol telex as saying that "British soldiers were involved to a major degree" in the trade.

In London, the Ministry of Agriculture said: "We are aware of the allegations and we are co-operating with the Commission in investigating them. Action will be taken if any evidence is found of illegal trade".

The National Farmers' Union said: "We condemn lawbreaking which could undermine consumer and producer confidence, but we find it astonishing that the Commission is prepared to make such allegations without providing detailed evidence."

KYODO / REUTER



A barrage is put around the *Diamond Grace* supertanker to contain leaking oil

Japanese fight to contain oil spill

FROM EDWIN KARMIOL IN TOYKO

JAPAN declared a national disaster yesterday after a 147,000-tonne supertanker went aground in Tokyo Bay, causing the worst oil spill in its coastal waters.

More than 100 ships were mobilised to tackle the slick, which by late evening covered 26½ sq miles, roughly double its size in the afternoon. The spill had leaked from the Panamanian-registered *Diamond Grace*, which struck a reef four miles off Yokohama yesterday morning.

Ryutaro Hashimoto, the Prime Minister, called on police, coastguards, local governments and the Japanese and US Armed Forces to help in the clean-up. The fast response came after severe criticism of the way that an oil spill on the Japanese west coast in January had been handled.

The tanker's two ruptured oil storage holds leaked about 13,400 tonnes of her 257,000-tonne cargo. Divers averted a greater disaster by sealing her fractured hull, but it was feared oil would reach the coast.

Jail chief 'saw mass beating'

Washington: The Commissioner of Georgia state prisons watched a mass beating of inmates which left blood running down the walls, according to a senior jail officer (Bronwen Maddox writes).

Ray McWhorter, a riot squad lieutenant at Hays State Prison, said in a 141-page sworn statement presented to a federal court that Wayne Garner, the Commissioner, stood watching last July as prisoners, some handcuffed, were punched, kicked and stamped. The Department of Corrections denied the claim, insisting that Mr Garner did not condone the use of force.

Yeltsin dismisses sex case minister

Moscow: President Yeltsin dismissed Valentin Kovalyov, Russia's suspended Justice Minister who was filmed frolicking with naked girls at a sauna frequented by criminal gangs (Richard Beeston writes). Mr Kovalyov was unexpectedly replaced by Sergei Stepashin, the former head of the Federal Security Service (FSB). Mr Stepashin was dismissed two years ago after criticism of his handling of the disastrous war in Chechnya.

Explosion over 'Mafia' tours

Palermo: Plans by a travel operator to organise a "Mafia tour" of Sicily, including simulated bombings and shootings, have angered local MPs (Francesco Bongarra writes). Francesco Forgione, an MP for Rifondazione Comunista, said a travel agency had agreed to a request from a German operator to give tours of Mafia sites. For a "slightly higher price" the tour would include visits to locations where anti-Mafia judges had been murdered.

Twin foetus was inside brother

Cairo: An Egyptian teenager who complained of stomach pains had his underdeveloped twin foetus lodged above his abdomen, where it had been slowly feeding off him for the past 16 years, medical sources said yesterday. Doctors found an 18cm foetus of 4lb 6oz with a head, arm, tongue and fully formed teeth when they operated on Hisham Ragab, 16, a building worker. An X-ray had shown a swollen sac pressing on his kidneys. *(Reuter)*

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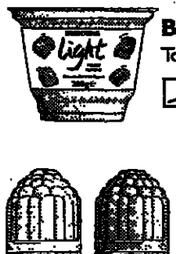
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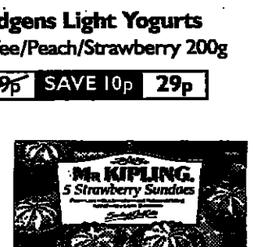
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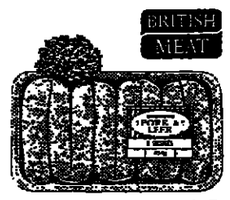




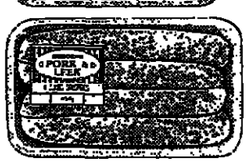
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THURSDAY JULY 3 1997

Careful balancing act has shared responsibility for strong economy between City and high street

Consumers are spared by Capability Brown



ANATOLE KALETSKY

WELL done, Gordon. This was the phrase that kept running through my head as I watched the new Chancellor present the most moderate, articulately presented and well-intentioned Budget in living memory.

Of course, Budgets which are celebrated in haste are usually repented at leisure. Once the pound soars above its old ERM central parity of DM2.95, as it almost certainly will after this Budget, there will be plenty of people in the City and in manufacturing industry who will find fault with Mr Brown.

They will accuse him of having failed to rein in consumer demand, thereby forcing the Bank of England to raise interest rates and pushing the rampant pound even higher. But such criticism of Mr Brown is misplaced, at least from people who supported his fateful decision to give independence to the Bank.

An upsurge in the pound became more or less inevitable as soon as the Chancellor handed control of interest rates and the currency to the Bank. Given the constraint which the Chancellor thereby accepted on his ability to influence day-to-day economic conditions, yesterday's Budget struck about as good a balance as could have been expected between sustaining economic growth and avoiding inflationary overheating.

The burden of disinflation policy will fall again on the export and manufacturing sector. But at least the businesses hit by higher interest rates and sterling will not have to face a tax-induced slump in domestic consumption at the same time.

The danger of such a triple whammy was the point missed by Mr Brown's critics. Given that Mr Brown could do nothing much about the strength of sterling, he was wise not to add even more pressures on industry and employment by piling on too many new consumer taxes and thereby crushing demand.

Mr Brown could easily have hit consumers much harder, without adding much to the Budget's political costs. Having decided to defy the housing lobby by trimming mortgage interest relief, he could have abolished it instead, raising an extra £2 billion.

He could have increased the excise duties on petrol and tobacco by much more than 1 per cent without provoking a single squeal. The fact that he decided not to suggests that he is serious about sustaining economic recovery and reducing unemployment, as well as controlling inflation.

This was the big surprise of the Budget. A puritanical Chancellor who seemed willing to pander to the City's every whim left consumers more or less unscathed and dipped instead into pension funds and corporate treasuries. But by giving back through lower corporation tax roughly half the proceeds of his raid on the pension funds, he should have left the business community quietly content.

The upshot of all his efforts is a convincing plan for long-term financial stability and a gradual slowdown in consumption and economic growth, largely at the expense of a modest deterioration in the balance of payments. Hitting exports may not seem the ideal way of protecting an economy from inflationary overheating, but it is the surest way available and the one almost invariably employed by countries with independent central banks.

Working within this difficult macroeconomic framework, Mr Brown was careful to craft his individual measures so as to minimise the long-term damage from what he hopes will be only a short-term setback for exporters and manufacturers. He has also set out a coherent, if not yet entirely convincing, long-term programme to improve the structure of the economy and perhaps eventually make the country less reliant on low labour costs and a cheap pound.

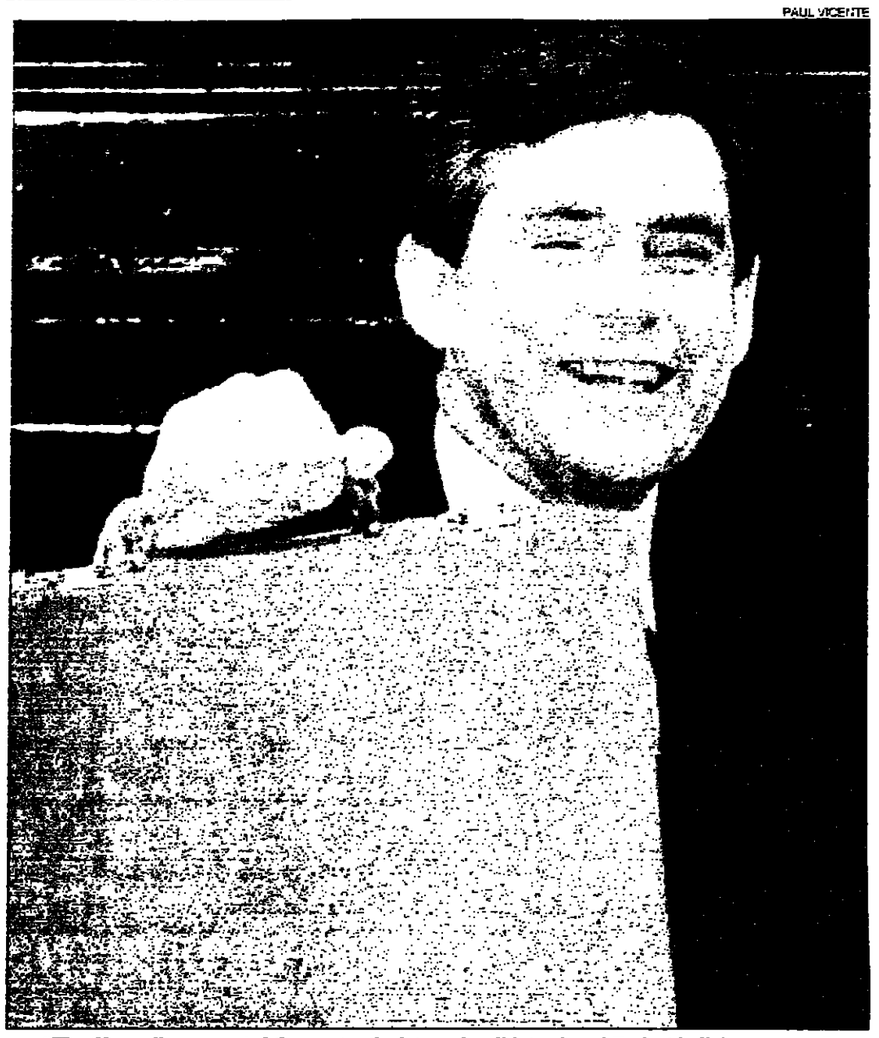
His cut in corporation tax and the new investment allowances for small companies, for example, will perhaps encourage companies to invest despite the squeeze on their profits.

His reforms to the welfare state and improvements in training should increase the effective supply and perhaps the quality of labour, making it more attractive for companies to continue employing workers even with a strong pound.

This Budget and the "long-termist" philosophy it manifested are unlikely to achieve the high-flown objectives Mr Brown announced in his mercifully succinct economic preamble. It will not prevent boom-bust cycles, transform the investment climate, transform work incentives or abolish long-term unemployment. But then no single programme or series of programmes could possibly have done that.

This Budget will at least make a useful start towards all Labour's social and structural objectives — and even on the issue of booms and busts, Mr Brown has at least avoided making the situation much worse.

PAUL VICENTE



"The Chancellor presented the most articulate and well-intentioned Budget in living memory"

Schools are bowled over by Chancellor's £2.3bn largesse

By John O'Leary
Education Editor

EDUCATION

EDUCATION was the surprise winner in the Budget, securing an extra £2.3 billion for schools at a time when other public services have been denied their annual spending negotiations.

Local education authorities will be given an extra £1 billion to spend on schools next year to stave off likely teacher redundancies and improve stocks of books and equipment. A further £1.3 billion over the next five years will help meet a backlog in school repairs and maintenance.

The spending boost allowed the Chancellor to claim he was living up to Tony Blair's promise to make education the Government's top priority. His initiative came as David Blunkett, the Education and Employment Secretary, prepared to launch his main drive to improve standards in a White Paper next week.

Mr Blunkett said: "This is a huge and welcome boost for the education crusade. The extra money to repair run-down schools and drive up standards is an essential part of the Government's programme to prepare youngsters for the 21st century."

Local government and teachers' leaders, who had expected another year of austerity, welcomed the news.

The Local Government Association, which last week estimated that an extra £900 million was needed to maintain current spending levels in English schools, could barely disguise its surprise at receiving almost everything it asked for. England will take £835 million of the £1 billion removed from the Government's contigency reserve, the rest going to schools in Scotland, Wales and Northern Ireland.

Graham Lane, the association's education chairman, said local authorities would be delighted. "There is no need now for any increase in class sizes because we can afford new teachers to meet rising rolls, so we can get on with the task of raising standards."

The Chancellor said the extra £1.3 billion capital funding for schools, which will come from proceeds of the windfall tax, would go towards the modernisation of schools as well as tackling the backlog of repairs. Local authorities would be expected to enter partnerships with the private sector to augment the new money.

He said his capital allocation was worth almost £150 for every pupil, and would provide "bright, modern classrooms" for the 21st century. More than one million pupils study in classrooms built before the First World War.

Although the full cost of repairs has been put at more than £3 million, the settlement will allow the most urgent repairs to be completed.

Colleges and universities will not benefit from the largesse, but Mr Brown did find £5 million to launch his promised University for Industry to provide education and training in the workplace.

David Hart, general secretary of the National Association of Head Teachers, said schools would now ride out the current year in the knowledge that they would no longer face a "catastrophe" in 1998. "There should now be a real chance to invest in books and equipment, as well as reversing the deterioration in class sizes."

Doug McAvoy, general secretary of the National Union of Teachers, said the money would be welcomed by every parent, pupil and teacher.

The timing of next week's Schools White Paper appears to have worked in Mr Blunkett's favour in his negotiations with the Treasury. Ministers were anxious not to be accused of starving teachers of resources at the moment when they were demanding improved performance.

Mr Blunkett said: "This package represents a flying start to meeting the Government's manifesto commitment to raise the proportion of national income spent on education over the course of a five-year Parliament."

Feared winter hospital crisis averted by £1.2bn surprise

By Ian Murray
Medical Correspondent

HEALTH SERVICE

FRANK DOBSON was unexpectedly given £1.2 billion next April to run the health service, enabling doctors to breathe a sigh of relief that a threatened winter crisis could be averted.

The Chancellor also announced that NHS trusts would be strongly encouraged to claim back from insurance companies the cost of treating motor accident victims, up to a maximum of £3,300 per patient. This could be worth up to £440 million a year for the NHS. Hospital trusts are already legally permitted to reclaim back the costs of caring for victims of road accidents, but fewer than half do so.

The Health Secretary had not disclosed that he was horrified to discover the terrible state of the service's finances when he took office, and he was already facing up to the fact that waiting lists would grow and emergency treatment alone would be possible in hospitals this winter.

"This is a recognition of our distress call," Sandy Macara, chairman of the British Medical Association said. "It is a pleasant surprise that we have got some real extra money. The worry is that we won't get it until next year. There is no way we can get through the crisis this winter unless we can draw in advance on the cheque.

"But this is a dramatic turn around by a Chancellor who originally said there was no more money. We hope this is just the first instalment of the £1 billion a year we need over the next five years in order to solve the health service's financial problems and bring it up to date."

The NHS ended the last financial year £200 million in debt and this is expected to grow to £750 million by the end of this financial year.

Dr Macara said he hoped that the Government would consider handing over the extra money raised by the tobacco tax to the health service, which spends £600 million a year treating people for smoking-related diseases. He also laid claim to the £140 million the Government expects to save from withdrawing tax relief for those aged over 60 on private health insurance schemes. "We think it would be logical for it to go to health because we will need it to treat the elderly people who are at the margins and will not be able to go on paying for private care without this relief," he said.

In a statement Mr Dobson said the extra cash was evidence that the Government saw health care as a priority. The money would more than double the amount that was planned and should give the service ample time to plan, he said.

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Your questions answered

Accountants praise a 'very Tory Chancellor' who refrained from hammering the bourgeoisie

Middle England breathes sigh of relief

The middle classes sat down to listen to the Chancellor's speech, fearing an attack on everything they held dear. On the edge of their Ikea sofas, they envisaged their building society windfalls disappearing in extra taxation of every kind.

When Gordon Brown sat down, they could breathe a sigh of relief, grateful to have been spared income tax rises and reassured by extra spending on education and health. Even the stamp duty increase was not so vicious as anticipated. A thought blob hanging over Middle England might have read "Phew".

However, the Chancellor was not all generosity. Homebuyers face higher mortgage payments, as interest rates are now expected to rise. The millions saving for their retirement will this morning also be revising their opinion of the Chancellor. Although personal equity plans (Peps) and tax exempt special savings accounts (Tessas) have been preserved for the time being, Mr Brown has targeted pensions, for many their largest single investment, more valuable than the family home. They now face either smaller pensions, or extra contributions to their pension schemes, or possibly both. This piece of bad news is the result of the abolition of the dividend tax credit which provides some £3.5 billion-worth of income each year for pension funds.

The Chancellor claimed that those employees whose pension funds are in surplus need have no immediate concern. Their employer may also be prepared to increase his contributions in the future. However, not every worker is now a member of a traditional final salary scheme, with guaranteed benefits. An increasing number are in more modern money purchase-type arrangements, where the payout is linked directly to investment returns.

Spare a thought also for those unfortunate souls with personal pensions who cannot rely on a friendly boss and must fund their retirement alone.



COMMENT

ANNE ASHWORTH
Personal Finance Editor

Middle England must now take comfort that the Chancellor did not add insult to injury by cutting pension tax relief, as widely forecast. They must also hope that their scheme managers now earn their handsome fees by changing the investments in funds to minimise the loss of the tax credit. Nicola Horlick and Carol Galley must now show their mettle and work to deserve their million-pound packages.

The Government is currently engaged in a review of the whole muddled pension system. Those investing in pensions will now look to ministers to make good the some of the damage caused by the loss of the dividend tax credit in their proposals for better pensions in the next century.

Those anxious to enjoy an old age of trips to Tuscany, rather than the odd day out in a coach, must now make the best possible use of the schemes now available. Peps and Tessas, the two snappily named savings incentives introduced by the Conservatives, will remain available until 1999, when they will be supplanted by the less sexy-sounding ISA, Labour's answer to the British aversion to thrift. As the Chancellor remarked, only half the adult population of the country has any savings.

Whereas Peps have tended to appeal to high-earners, ISAs should be attractive to everyone, including the less affluent, as is the Chancellor's intention. It seems that they will be able to hold every sort of investment, including shares, gilts and cash. They will also have the tax breaks that have made Peps and Tessas so beloved of the British (together the schemes contain £60 billion-worth of our cash).

All the ISA needs now is a more catchier title, easier to insert into newspaper headlines. Conservative Chancellors appear to be more adept at acronyms.

Even accountants, usually sparing of praise to Chancellors, were impressed yesterday. Ian Barlow, head of tax at KPMG, described Mr Brown as a "very Tory Chancellor". Despite the sober navy suits along the Government front bench, fiscal restraint and caution are still not seen as Labour virtues.

Over-60s face 30% increase in premiums

BY NIGEL HAWKES AND MARIANNE CURPHEY

PRIVATE HEALTH

ABOLISHING tax relief on private medical insurance for the over-60s might not save the Treasury any money, insurers said yesterday.

The cost of the tax relief was £140 million a year, the Chancellor said. Abolishing it, he said, would enable him to cut VAT on fuel from 8 to 5 per cent. He said that the tax relief had failed to achieve its original purpose of increasing the proportion of people with medical insurance.

As a result of the Chancellor's move, the cost of private medical insurance premiums to the over-60s will rise by 30 per cent. The relief, currently granted at the 23 per cent basic rate of tax, is worth about £300 for a single person of 65 paying an annual premium of £1,000 a year.

According to the insurer PPP Healthcare, the saving to the Treasury will not be anything like £140 million, because the Chancellor took no account of the costs of treating elderly people who will in future be fully dependent on the NHS. Waiting lists for elective operations will also get longer, the company said.

"Gordon Brown has turned a deaf ear to warnings from PPP Healthcare, the industry, independent experts and his own advisers who have all demonstrated since the election that abolition of tax relief for medical insurance is both bad economics and disastrous for a cash-strapped NHS," the company said in a statement.

Alan Rusted, head of Bupa, also criticised the decision. "There could well be ramifications for the NHS if people decided to give up private medical insurance," he said. That could well lead to a greater stretching of resources in the NHS and also possibly lengthening waiting lists."

Norwich Union called the change "short-sighted". Tim Baker, commercial director at Norwich Union Healthcare, said: "We have had thousands of calls to our helpline which I think demonstrates how concerned people are. It seems to me that the Government are being less than circumspect."

Many people who have had their premiums paid by their employers while in work take on the full cost themselves when they retire. Premiums depend on age but until now have been cushioned by the tax relief.

Calculations for PPH Healthcare by the Economists Advisory Group suggest that the extra cost — averaging £30 a month or so — will cause more than 300,000 policies, covering nearly 600,000 elderly people, to lapse.

"Total costs to the Treasury could very well increase," Jeremy Holmes, of EAG, said. "But the most damaging thing in my opinion will be to increase waiting lists for operations such as hip replacements." Waiting lists could increase by 30,000, his estimates suggest, though other estimates have put the figure much higher, at up to 100,000.

There are no precise figures for how many over-60s have private medical insurance but Treasury figures for the amount of tax relief enable calculations to be made. EAG calculates that there are some 650,000 policies that previously qualified for tax relief, covering almost 1.2 million people. These people react to changes in price and many will now opt out of private medical insurance.

Those that would have been treated in private hospitals will join NHS waiting lists. The NHS will lose income from pay-beds for those who would anyway have been treated in NHS hospitals.

Tax relief at the individual's highest rate for the over-60s was introduced in 1990 as part of the Conservative Government's plans to encourage the public to take out policies. The relief was later lowered to the basic rate of tax at 23 per cent for all policyholders, even higher rate taxpayers.

The new Government's move to abolish the tax relief was widely expected. Before the general election, Labour had made its intentions plain.

STEVE HILL



Professor John Grenville and his wife, Patricia, think the loss of tax relief on health insurance a mistake and will save to pay premiums

Lost tax relief 'will put pressure on NHS'

BY MARK HENDERSON

THE PENSIONERS

PROFESSOR John Grenville, 69, and his wife, Patricia, 59, have held private health insurance with PPP Health for 22 years. They voted Labour for the first time this year, despite concerns over its plans to end tax relief on health insurance for over-60s.

Professor Grenville, from Sutton Coldfield, even wrote to Tony Blair and Chris Smith, then Shadow Health Secretary, to register his worries about the policy. The couple expect their premiums to rise by £250 a year. They will also lose the £250 a year in tax relief that Mrs Grenville would have qualified for on her 60th birthday later this year. They spend £1,300 a year on health insurance and intend to save to maintain it.

Professor Grenville added: "The £120 million a year spent on this tax relief will just have to be spent dealing with the elderly people who won't be treated in the private system. Many pensioners will have to drop out of their policies, and that can only put extra strains on the NHS."

Mrs Grenville, who was a nurse, thought the move foolish. "I went back into nursing a few years ago to keep my registration going and I was shocked by the state of the hospitals."

The couple welcomed the extra £1.2 billion announced for the health service yesterday but felt many benefits would be offset by the abolition of the tax relief. "The NHS is going to have to absorb thousands of extra elderly patients," Mrs Grenville said. "Where are they going to get the beds?"

Both said they would still support Labour. But Professor Grenville felt the party had its priorities wrong. "Chris Smith wrote to me saying the money saved would be used to cut VAT on fuel but I voted Labour because of the NHS and it seems to me this will just make matters worse."

Harold Baskerville, 87 and a retired ICI executive from Cheltenham, has been a Bupa member since 1948. He said the loss of tax relief will cost him and his wife, Ethel, £44 a month. "He's giving me £1.80 a month back by reducing the VAT on fuel," Mr Baskerville said. "A great many in our age group are going to look long and hard when it comes to paying premiums. They could very well flood back on to an already hard-pressed NHS."

Mr Baskerville resolved on private medicine at the age of eight when his mother took him from their Cheshire farm to Manchester Eye Hospital as an out-patient. "We shuffled about on benches for about three hours before I was seen," he remembers. "We walked about six miles that day. I asked my mother what Mr Carver, the local squire, would do if he wanted to see a specialist. 'He would go privately and pay' she said. 'That is what I shall do when I grow up' I replied."

Mr Baskerville does not have to make an immediate decision. He renewed his Bupa insurance yesterday for a year instead of paying monthly. He will not have to pay the extra until it falls due again, next year.

Tax credit abolition will cost BT £90m

BY PAUL DURMAN

THE abolition of the tax credit on dividend payments will cost BT's pension fund £90 million a year in lost income. The tax change will also make the £20 billion fund technically insolvent, cutting its actuarially measured long-term funding position below 100 per cent. Although that will have no effect on current pension payments, future benefits could fall unless BT steps in to make up the shortfall.

The telecom company's pension fund is one of the country's largest with nearly 370,000 members — 118,000 employees still contributing, 167,000 pensioners, and 84,000 "deferred" members, many of whom have left BT through redundancy.

Last year the pension fund received gross dividends from its United Kingdom investments of £447 million, but 20 per cent of that came from the tax refund that disappeared yesterday. BT said the £90 million tax credit represented about 10 per cent of the pension fund's total investment income of £867 million.

BT and its pension fund trustees have still to decide how to respond to the Chancellor's move, but it says it is committed to maintaining the health of its pension fund. The company could make a single payment into the scheme to make up the shortfall, but it is more likely to increase its level of contributions on an ongoing basis. That would reduce BT's annual profits, though by a small amount in the context of last year's £3.2 billion.

Revenue to raise £700m by closing bank leasing companies loophole

BY SARAH CUNNINGHAM

TAX RULES

THE Government has kept its pre-election vow to clamp down on companies' tax avoidance schemes, and is introducing a package of measures which should yield £1.6 billion over four years.

It is also planning a wider review. The Inland Revenue has been asked to check the whole tax system for other loopholes, and the Chancellor has promised further anti-avoidance measures in future Budgets. In particular, Gordon Brown said that changes to the tax rules for multinational companies will appear in the next Budget. Stricter rules on the prices at which associated companies transfer goods, services and other assets between themselves will be introduced to ensure that they are fair market prices.

The key measure introduced yesterday, taking immediate effect, will prevent banks' leasing companies from using subsidiaries with different accounting periods in order to gain a tax advantage. When a lease begins just before an accounting period ends, allowances can be brought forward by up to a year, saving the leasing companies thousands of pounds in tax.

Finance leasing is a huge business for banks, and well over £100 billion worth of leases are outstanding at any one time. This measure should bring in more than £700 million in the next four years.

However, tax experts believe that it is industry rather than the banks who will end up paying the higher tax bill, because banks will simply put up their leasing charges. "It is the manufacturers who will suffer," said Robin John, of Ernst & Young.

The other main measure which came into effect yesterday will mean that lenders who take up preference shares with terms similar to loans will now find the dividends taxed. Again, this will cover a wide range of British industry, particularly property companies and management buyouts, rather than banks.

With the new rules, Mr Brown is continuing the work begun by the last Chancellor, Kenneth Clarke. Under measures introduced in his last Budget, nearly 800 tax inspectors have been redeployed by the Inland Revenue as part of the "spend-to-save" programme. Mr Clarke said that by concentrating on a crack down on fraud and evasion, the Revenue would be able to bring in an extra £2 billion in taxes. Eventually 2,000 staff will be added to the compliance and collection area by the Revenue, the bulk being next year when they can be freed from the huge task of bringing in self-assessment of taxes.

Had it not been for "spend-to-save", almost all the 2,000 staff would have been made redundant as part of the Revenue's attempt to cut its 57,500 workforce. However, the Revenue has just started advertising to recruit 30 accountants. The Revenue is leaving it to the individual regional offices to decide how to deploy the extra staff, but areas being targeted include large businesses avoiding tax, employer compliance, ghost workers and moonlighters who work for the black economy, which was estimated by the accountancy firm Deloitte & Touche to be worth more than £8 billion a year.

Surprise cut 'will boost investment'

BY ROBERT MILLER

CORPORATION TAX

NOWHERE was the element of surprise more evident in the Chancellor's Budget than in his surprise decision to cut the rate of corporation tax by 2 points to 31 per cent, an all-time low.

Gordon Brown said he was cutting the tax rate for larger companies because he wanted to make Britain "the obvious first choice for new investment".

The move took companies and their advisers by surprise. The Inland Revenue has estimated that the cost to the Treasury in the tax year 1998-99 will be £1.4 billion which will rise to almost £2 billion by 2000.

Richard Collier-Keywood, senior corporate and international tax partner at Coopers & Lybrand, the accountant, said: "Quite frankly this was a surprise. Many had tipped corporation tax to rise. But then the effective rate of the tax is sometimes considerably higher because not all company expenditure can be offset against the tax bill."

This applies to items such as "goodwill" in a takeover. In some European countries the cost of "goodwill" can be written-off against the tax over a number of years.

David Kern, chief economist at NatWest, said: "The cut in corporation tax is a pleasant surprise. It is doing something which will be beneficial by reducing taxation rather than playing around with investment measures and makes the UK more attractive to invest in."

London First Centre, the capital's inward investment agency, said: "The UK's rate of corporation tax is already the third lowest in the European Union. This welcome news will further enhance our competitive edge in the drive to persuade overseas businesses to invest in London."

The Institute of Directors also welcomed the 2 per cent cut and said it should give "permanent incentives to set up or expand businesses."

☐ Small businesses received a double boost from the Budget: the reduction of small business corporation tax from 23 per cent to 21 per cent and the ability to write half the costs of new equipment against tax in the first year. The moves were appauded by the Confederation of British Industry, but the Federation of Small Businesses said that the reduction would not help the four million self-employed workers, who pay a maximum tax rate of 40 per cent.

Threat to wealthy investors' 'dodge'

BY GAVIN LUMSDEN

THE Government put enterprise investment schemes and venture capital trusts under close review after concerns that they have become a tax dodge for the wealthy.

Introduced by the Conservatives in 1994 and 1995, EISs and VCTs have encouraged private investors to put more than £450 million into small unquoted companies in return for generous tax breaks. However, an increasing number of schemes have sought to reduce the risk by investing in property developments, nursing homes or arranging guaranteed payouts from banks.

This is against the spirit of the idea, and could be outlawed in the next Budget. The Inland Revenue is to consult with the industry. Draft legislation will be included in the 1998 Finance Bill which would take effect from today.

The move makes it unlikely that any new asset backed or guaranteed VCTs or EIS will be launched. The last was probably issued just this week, Insignia Cashbacked invests in companies offering corporate entertainment at Beaufort Polo Club, Gloucestershire, which has the Prince of Wales as its patron.

The British Venture Capital Association welcomed the move, which goes in tandem with the Chancellor's commitment to helping smaller companies. Tax breaks on both schemes are unaffected. Investors can shelter up to £100,000 a year in both schemes to get 20 per cent income tax relief and deferral of capital gains tax.

Tax incentives boost for rainy day accounts

BY KAREN ZAGOR

SAVINGS SCHEME

LONG-TERM savers had expected to receive a boost, and they were not disappointed by Gordon Brown's announcement of the introduction of individual savings accounts (ISAs), although the details remain unclear.

There was widespread relief in the financial services industry that the Chancellor did not sound the death knell for Personal Equity Plans. There had been speculation that Peps, which allow savers to invest up to £9,000 a year in equities and get any income and capital gains free from tax, would be an early casualty of the Government. Instead, the Chancellor indicated that the new scheme, expected to be in place for 1999, will encourage long-term savings through tax relief similar to Peps and Tax Exempt Special Savings Accounts (Tessas).

Peps, which were introduced in 1987 by Nigel Lawson when he was Chancellor, are widely seen to favour higher earners. The new savings accounts will be aimed at low earners.

David Major, tax partner at accountants Deloitte Touche, said: "It looks very exciting. We can guess the shape of the scheme from some of the things that were said. The accounts will include a range of savings, such as gilts, equities and cash all held in one plan. They will have a tax-favoured environment. And the existings rules will be simplified. We are really pleased to see that.

"The only thing that came as a surprise is that the Government will particularly try to encourage those on low incomes to participate, but I hope it they don't do it by limiting the amount that high earners can participate."

Mr Major expects the new accounts to encorporate elements of TESSAs and Peps, and ultimately to replace them. For example, the Government said the new accounts will encourage long-term savings by building on TESSAs, where savers must leave their money in the scheme for five years.

Details of the new schemes will not be available for many months. A consultation document will be issued later this year. Specific proposals are not expected before the middle of 1998, with the introduction of the new accounts in 1999.

The Association of Unit Trusts and Investment Funds also welcomed the proposals and said it was looking forward to the consultation period. At present, there are about 4.5 million Tessa savers and 2.5 million Pep holders.

☐ The Budget simplified the taxation of gilts in a move to make the gilt market more attractive to investors. From next April investors will have the option to receive interest on gilts gross. At present most gilt interest is paid with tax already deducted, but there are exemptions such as the Star Account scheme and the CGO Gross scheme which allow the payment of tax after interest is received. The new system will place all gilts under the same tax regime.



Workshy will lose 60% of their benefits



Blunkett: will give more details of package today

BY JILL SHERMAN, CHIEF POLITICAL CORRESPONDENT

YOUNG people will lose at least 60 per cent of their benefit if they fail to take a job or training place under the £3.5 billion Welfare to Work package announced by Gordon Brown.

Before the general election, Mr Brown provoked a backlash in his party when he declared that young people would lose 40 per cent of benefit. But yesterday government sources disclosed that he had opted for much tougher sanctions for the workshy.

The 250,000 youngsters eligible for the scheme are expected to lose all of their benefit for the first two weeks after refusing a job and will definitely lose 60 per cent in subsequent weeks.

The programme, funded entirely by the windfall tax and costing £500 million more than expected, will also help to secure work for 350,000 men and women who have been unemployed for two years or longer.

Under the Government's "new deal" for jobless, young people will be offered four options: a job with a private firm where employers will receive a £60 a week rebate for six months; work with a

WELFARE TO WORK

50,000-strong environmental task force, helping to clean up towns and inner cities; a six-month placement in the voluntary sector on a weekly wage slightly higher than benefit; or full-time education or training. Employers will receive £75 a week rebates for taking on those who have been unemployed for two years or more. Last week the Government offered a £750 per head training subsidy to employers on top of the weekly subsidy they will get for taking on long-term unemployed.

Underlining the carrot and stick approach to getting more people into work, Mr Brown said: "With these new opportunities for young people come new responsibilities. There will be no fifth option — to stay at home on full benefit. So when they sign on for benefit they will be signing up for work."

Mr Brown's initial plans to penalise youngsters who refused work or training were opposed by several members of the Shadow Cabinet. He had initially planned to spend £3 billion on the scheme but yesterday Treasury aides said that a further £500 million would be kept in reserve in case the scheme overshot the budget.

In his Budget speech the Chancellor said he hoped that all businesses and voluntary organisations would take on jobless young people: "I urge every business to play its part in this national crusade to equip this country for the future by taking on young unemployed men and women." He also appealed for MPs from all political parties to go back to their constituencies as "ambassadors" to encourage young people and local industries to take part in the scheme.

Mr Brown is confident that he can eradicate youth unemployment within five years. The programme will be piloted in about 15 areas in January next year and phased in nationally from April. Further details will be announced today by David Blunkett, the Education and Employment Secretary.

The Chancellor also announced a relaxation of the rules that stop many long-term unemployed taking advantage of further education. At present students have to give up benefit if they go to college for more than 16 hours per week. But Mr Brown said this rule would be eased so that those out of work could acquire the skills needed to earn a living.

"Many of these long-term unemployed who lack skills are debarred by the 16-hour rule from obtaining them," Mr Brown said in his Budget speech. "For this group of the unskilled, the 16-hour rule will now be relaxed, so that when the long-term unemployed sign up for benefit, they will now sign up for work — or for training."

There are currently 178,000 young people who have been out of work for six months or more, and ministers said thousands more were passing the threshold each month.

PAUL COUSANS

Four ways for the young to get a life after the dole

BY ALEXANDRA FREAN, SOCIAL AFFAIRS CORRESPONDENT

THE New Deal offers four options to young people who have been unemployed for six months. The first is a private sector job with employers who are eligible for a £60-a-week rebate for six months.

While the Government has been courting big businesses, much of the burden of responsibility for the scheme will fall on small companies which currently provide jobs for more than half of all people aged under 25.

Stephen Alanbritis, of the Federation of Small Businesses which represents 100,000 employers, said that the £60-a-week subsidy for the under 25s — together with a £75-a-week subsidy that the Government is offering for older, long-term unemployed people — will be crucial for small businesses. "The Government might even consider paying the subsidy for the six months upfront, so that it would help the companies' cash flow," he said.

Big business is more concerned, however, about the calibre of worker that the scheme will produce. Grand Met has years of experience in the area of welfare to work as the founder of Tomorrow's People, a charity specialising in helping to get the unemployed back to work.

Geoffrey Bush, the company's group community relations director stressed that long-term unemployed people need to be made "employment ready", that is given basic training, motivation and counselling in a supportive environment before they take up their six-month job. "It would be dangerous to expect the companies to do this themselves. There is a limited amount that you can impose on industry because it has to remain competitive," he said.

Much of the success of Mr Brown's plans will depend on the so-called "gateway" programme, which will attempt to prepare unemployed people for the workplace environment and equip them with social skills. The Government has been receptive to concerns expressed on this front.

The second option is work with a voluntary sector employer with a weekly wage equivalent to benefit, plus a fixed sum, for six months.

THE OPTIONS

- ☐ **A private-sector job with employers eligible for a £60-a-week rebate for six months.**
- ☐ **Work with a voluntary sector employer with a weekly wage equivalent to benefit plus a fixed sum for six months.**
- ☐ **A job with an environment task force.**
- ☐ **Full-time study on an approved course.**

The voluntary sector is concerned that giving employers the freedom to choose which unemployed people to take on could result in the least motivated youngsters, and those with the most personal problems, being forced into the voluntary sector and environmental task force options merely because no commercial company will have them. The value of jobs in these schemes will then be threatened.

Stuart Etherington, director of the National Council for Voluntary Organisations, believes it is vital that the voluntary sector and the environmental task force options in Labour's New Deal are not seen as the "sink options", but as the source of "proper" jobs.

"We need to be regarded not as a second class option, but in the same way as the big employers. The sector employs more than 400,000 full-time people and needs to be seen as an employer in its own right, providing sustainable jobs," he said.

Victor Adebowale, chief executive of Centrepoint, the charity for homeless people, welcomed the New Deal, but warned that young people needed to be provided with proper jobs and financial incentives, not just so-called work experience with charities or an environmental task force. "They don't want to be used as cheap labour. They can spot the difference between that and a proper job," he said.

He stressed the need for proposals to include 16 and 17-year-olds as a third of the 3,000 newly homeless people who go to Centrepoint each year are aged under 18.

The third option is a job with an environment task force. The housing profession welcomed the decision that some of the money earmarked for the New Deal should help to meet skill shortage in energy conservation and housing improvement.

Brian Fairclough, president of the Chartered Institute of Housing, said: "Energy efficiency work on the nation's housing stock could pay for itself over the long term ... It would have the added bonus of helping to meet the Government's environmental objectives and reducing poverty by cutting fuel costs."

The fourth option is full-time study on an approved course. There is some recognition on the part of advisors that the six months training option offered under the New Deal may not be long enough and that it may have to be extended to 12 months. Many of the young people will need basic literacy, numeracy, and information technology education, as well as schooling in English as a second language, before they are ready to move onto vocational training.

William Craig, 21, an unemployed man from south London, left school in London with no qualifications and is desperate for work and for the training that would enable him to get a degree and a good job. He is concerned, however, that a six-month training scheme will be useless to him.

"It's a Mickey Mouse deal that has been put together by monkeys who have never gone hungry in their lives," he said. "I know that six months is not enough time to get an education or a qualification."

He feels that an underfunded education system has let his generation down. "The Government owes it to young people to do something about it."



HEATHER DIXON, 17, at work in the catering department of the Liverpool Philharmonic Hall, left school a year ago with poor literacy and numeracy (Mark Henderson writes). She went on a work placement scheme in Liverpool run by the charity Rathbone Community Industry, and got her present catering job. She is now taking National Vocational Qualifications, and has been offered a full-time job at the philharmonic if she passes her NVQ level 2.

She thinks welfare to work should follow the same lines as the scheme offered by Rathbone. "Rathbone set me up with a work placement at a nursing home in West Derby, which helped a lot, and then I got a training job at Liverpool Philharmonic through them," she said.

"I think training on the job is the best way for young people who haven't done well at school. I get paid £40 a week and I get training. It's like a proper job and I get training at the same time. Since I started, my confidence has gone up and I feel better about myself. I think my prospects are quite bright now and I'm looking forward to doing a job full time."

She thought unemployed teenagers should be encouraged to go on the scheme by withdrawing their benefits if they refused. "I think everybody should do something rather than doing nothing. You go to school for ten years and then lots of people sit around when they leave. I feel most teenagers should do something like this.

"If people have the wrong attitude they won't get anything out of it, but I don't think we should pay handouts if people turn down such a good opportunity."

Teenagers would have to take what they could get in a difficult labour market, she said. "I was happy to get any opportunity like this. I've been lucky that I enjoy my job but I don't think you can afford to be too picky."

She hoped the scheme would give more teenagers the leg-up that Rathbone gave her. "I think any scheme that gets employers to look at young people has to be worth it. I'm sure they will start to take on more young people because of it."

Teenager finds pot-luck in kitchens of music hall

£200m plan to get single parents back into work

50,000 youngsters trained as childminders will free parents for jobs. **Jill Sherman** and **Alexandra Frean** report



Harriet Harman: help for lone mothers

A SCHEME costing £200 million will help Britain's one million lone mothers find jobs backed up by a nationwide childcare strategy. In addition, 50,000 youngsters will be trained as childcare assistants over the next five years.

The total package, to be paid for over five years by the windfall tax, covers advice, training and after-school childcare to support single parents.

Lone parents with children in the second term of full-time school will be invited into jobcentres for help and advice on jobs, training and childcare. The programme will start on July 21 with 40,000 lone parents in eight regions in the country. It will be expanded nationwide, covering 500,000 lone parents from October next year.

Harriet Harman, the Social Security Secretary, said one million lone parents were now bringing up two million children dependent on benefit costing £10 billion a year.

Lone parents on income support with school-age children will be sent a letter inviting them into the jobcentre. After an initial interview each will by given an individual plan of action drawn up by their own caseworker on how they could develop job search skills, training and find childcare to help them into work.

The first pilot project will start in Cambridge where single mothers will be able to use internet computer terminals in public areas such as libraries and job centres.

Lone parents who take part in the New Deal will also be "fast tracked" for help with family credit — a benefit paid to working parents — and for child maintenance by the Child Support Agency.

Ms Harman also announced two benefit changes, costing £10 million a year, so that mothers would not lose out on payments the minute they took up work. The maximum allowance for childcare costs before benefit is withdrawn will be increased from next summer from £60 a week to £100 a week. The maximum age for childcare allowances will rise from 11 to 12.

One of the most inspiring parts of the package is the decision to Childcare organisations in the voluntary sector will be encouraged to help train 50,000 18-to-25 year-olds who take part in the Welfare-to-Work programme to become childcare assistants and give them work experience.. The government has already announced its intention to use national lottery money to fund after school homeclubs to help working parents.

"These initiatives are part of the Government's commitment to a National Childcare strategy," said Ms Harman. "This will plan childcare provision to match the requirements of the modern labour market and help parents, especially women, balancing family and working life."

Mr Brown also revealed that Martin Taylor, chief executive of Barclays Bank, who has been drafted in to spearhead an overhaul of the tax and benefit system, is already working on plans for a new in work tax credit for low paid workers, similar to one operating in the United States. The work tax credit based on the American system called the EITC (Earned Income Tax Credit), could replace the existing Family Credit benefit for low paid families.

The EITC is a form of tax rebate paid to low earners either through their pay packets or as a lump sum at the end of the year. It rises with earnings up to a maximum and is withdrawn gradually as the family income exceeds a pre-set ceiling.

The help for working mothers was welcomed by lone parent organisations. Liz Sewell, chief executive of Gingerbread praised the £200 million investment to get parents back to work. "At last a recognition that lone parents want to work and the guts to put money upfront to ensure that they have the chance to do so," she said.

Karin Pappenheim, director of the National Council for One Parent Families, described it as "good news for lone parents".

"The additional support with childcare costs will help break down one of the greatest barriers to work combined with the new national employment scheme for lone parents which at last promises a route out of poverty for these families," she said.

Mr Brown also announced a further £200 million plan to help the disabled find work and training, which means that the welfare to work programme extends to virtually all those dependent on long term benefit.

Details of the measures for providing help for people on disability and incapacity benefit will be unveiled tomorrow but the measure could provide help back into the workforce for 80,000 to 100,000 people.

A spokesman for the Royal National Institute for the Blind said: "We are extremely pleased that disabled people will be able to take part in Welfare-to-Work."



Martin Taylor: new tax credit plan

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Business verdict: bosses breathe a sigh of relief



BRIAN STEWART
chief executive, S&N

Given that we are confident that the review of duty on alcholic drinks will reveal a compelling case for their reduction, we are disappointed and surprised that the Chancellor has opted to make an increase in January 1998. The difference in duty rates between the UK and France has lead to 1.3 million pints of beer a day coming across the channel and Customs estimates that more than half of them are illegally imported. The planned review must recognise the scale of this problem and its effects on jobs, revenue and organised crime. On a more positive note, the review should also identify the beer and pub industry's ability to generate quickly large numbers of new jobs given the boost of a duty cut.



HILARY CROPPER
chief executive, FI Group

Somewhat to my surprise I find Gordon Brown's first Budget to be cautiously good for business and encouraging for the economy as a whole. The reduction in corporation tax plus improvement in capital allowances for small business will be particularly helpful in promoting inward investment and stimulating the very important small-business sector. The Welfare to Work schemes at first glance appear enlightened. The area where I believe the Chancellor has "shot himself in the foot" is the removal of dividend tax credits from pension funds. This is a bad long-term move for the sake of a short-term gain. I would like to have seen more incentives for employee share-ownership.



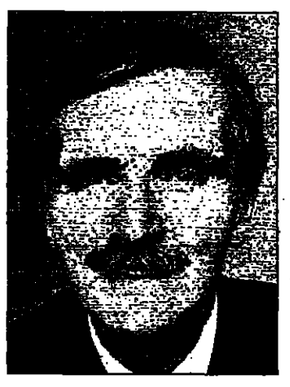
MIKE BLACKBURN
chief executive, the Halifax

Given that the Miras cut was widely canvassed, we are pleased the Chancellor has chosen to withdraw it gradually. This will minimise the impact on the housing market, but hit poorer borrowers hardest, especially first-time buyers. Someone with a £30,000 mortgage sees a monthly payment go up by 5 per cent. Someone with a £100,000 mortgage sees just a 1.5 per cent increase. The Chancellor should have done something to offset the impact on poorer borrowers. Stamp duty has no logic. It interferes with the normal working of the housing market and should go. However, the rate above £250,000 will not affect many and should not hit the market, except possibly in London.



ALLAN LEIGHTON
chief executive, Asda

I am pleased Gordon Brown recognised the needs of retailers by phasing in many of the changes to taxation and duties. That gives us time for sensible planning and avoided frenzied price changes. A November Budget is a nightmare for the retail industry, coming as it does during our busiest trading period, so I welcome the move to a spring Budget. The cut in corporation tax will enable us to reinvest extra money in our business, and the welfare-to-work programme should deliver real hope to young people and the long-term unemployed. We will look at how this programme can support our drive to recruit and train skilled craftspeople. We are ready to play our part in [his] national crusade.



COLIN PARSONS
Chairman, Taylor Woodrow

From a business perspective, we broadly welcome the Chancellor of the Exchequer's proposals in what we regard as a responsible budget.

From our own building and construction industry's point of view, we recognise that, contrary to earlier predictions, the Chancellor of the Exchequer has taken a prudent view on slowing down the recovery in the housing market.

We believe that his measures to reduce mortgage interest relief and increase stamp duty should do little to restrain the current bullish housing market.

The opportunities for investment in repairing the housing stock across, the country and education infrastructure are also welcomed.



ADAIR TURNER
Director-General, CBI

The Budget reflects the need for modest fiscal tightening and contains a number of measures business can support. The CBI is pleased to see the strong focus on economic stability and sound public finances. The limited measures taken to dampen consumer demand are broadly in line with CBI recommendations. The Budget also includes a welcome reduction in both the mainstream and smaller firm rates of corporation tax.

But the benefit of this is likely to be more than offset by the abolition of dividend tax credit payments and by planned changes to the imputation tax system. This may increase the cost to business of funding employee pensions and may reduce funds for investment.



TIM MELVILLE-ROSS
Director-general, IoD

We welcome the reduction in corporation tax rates, the principle of welfare-to-work and the childcare measures. We are very disappointed about the windfall tax and the abolition of tax credits. We are concerned about the decision to spend 44 per cent of next year's £5 billion reserve at such an early stage. This will leave little margin to cope with spending overshoots.

Removing tax credits on dividends will hit pension funds. This will increase burdens for employers and employees. It will reduce the attractiveness of saving for retirement although such saving is now recognised as vital. It is illogical to retain advance corporation tax, the only logic of which is to match tax credits.

Water companies hit hard

BY CHRISTINE BUCKLEY
INDUSTRIAL CORRESPONDENT

THE Government had a choice of methods by which to implement the windfall levy and no shortage of advice from its victims over what formula to use. It opted for a more complicated one than had been anticipated, and one which takes account of the excess profits said to have been achieved by the companies and of their low sale value.

The structure of the formula means that a higher proportion of the tax falls to the water and electricity sectors than had been generally anticipated. Water especially has been made to bear a far heavier cost. That allocation has enabled an easier treatment of BT. It may also mean that British Energy, the nuclear generator, might escape payment of any tax although it is technically liable because it was privatised by flotation. The broad base of companies will also have weakened the impact on individuals.

The Inland Revenue will set the bills for the company based on the difference between the value at privatisation and another valuation calculated on the basis of the profits from the companies in the four years after privatisation. The later value will be derived by averaging the after-tax profits from these years and multiplying by a price/earnings ratio of nine — that being the lowest average price/earnings ratio for utilities companies. The tax will be charged at 23 per cent of the difference between the flotation price and the calculated level.

WINDFALL TAX

The fact that the formula applies to the first four years after privatisation will capture the period when regulation was at its weakest although it will mean that the judgment will be based on profits made many years ago in the case of the old British Gas and BT.

The methods discarded by the Treasury fall into four main categories. A windfall tax could have been levied on the sales of the companies; on what was judged to be excess shareholder returns compared with other measures of share performance; on pre-tax profit; or on what was judged to be excess pre-tax profits viewed against comparable companies. With the amount payable by the different sectors of utilities varying according to the type of formula it is possible that an industry-specific formula could have been drafted.

According to figures calculated earlier this year by the Institute of Fiscal Studies, a tax based on pre-tax profits would have meant that the electricity companies paid 31 per cent of the sum and the water companies 7 per cent, with the others — including BT and BAA — taking up a 61 per cent share. Based on total sales, the shareout would be 46 per cent for electricity companies, 11 per cent for the water companies and 43 per cent for the others. Taken by excess shareholder returns the allocation would be 61 per cent for electricity companies, 23 per cent for the water companies and 16 per cent for the others. By excess pre-tax profits the division would be 57 per cent for electricity companies, 9 per cent for the water companies and 34 per cent for the others.

The Government's formula gave 40 per cent to the electricity companies, 31 per cent to the water companies and 28 per cent to the others.



BT, the energy and water companies produced profits of £10 billion last year

How fat cats brought tax upon themselves

BY OUR INDUSTRIAL CORRESPONDENT

LABOUR first floated the idea of a windfall levy on the utilities in 1992 in a pre-Budget submission. Then the privatised companies providing essential services were largely in their infancy. While it had become clear that the electricity and water companies, and to a lesser extent British Gas, had been sold cheaply the surging profits and boardroom largesse that were to fuel the political will for the tax had not dawned.

By the time the party made the windfall levy a firm pledge in 1995 it was obvious that the move would be palatable and one which would enable consistent political point-scoring. Profits from the utilities were climbing along with the salaries of their executives.

Millionaires' clubs were forming among executives who had previously been modest public sector employees while they continued their old functions of running monopoly businesses.

In 1994 the boards of National Power, PowerGen and National Grid took home £5.3 million in pay. It was frankly astonishing and by the summer of 1995 the fat cat phenomenon became a pariah that threatened to erupt into a full riot at the heated annual general meeting of British Gas.

Profits were clearly way out of line with what might have been thought reasonable from a public service monopoly business despite a regulatory regime designed to link prices to inflation and allow a rate of return befitting a non-risk taking utility. Northern Electric, the regional electricity company, gave the game away when it defended itself against a bid from Trafalgar House in 1995 shelling out £550 million to shareholders. Jolted by the cash power of the company, Professor Stephen Littlechild, the Electricity Regulator, reopened his distribution price review. Regulation of the businesses had been too weak.

As a drought hit the country in 1995, Yorkshire Water, which was leaking more than a third of its water, approached a crisis. Putting hospitals and local authorities on alert and — at a junior level — discussing the evacuation of Bradford the company highlighted the anomoly of a public-service company that was making considerable profits but delivering poor public performance.

For the last financial year alone it has been estimated that the energy and water companies and BT will have produced profits of £10 billion. Last year National Power, the country's largest generator, served up the biggest special dividend in corporate history with a £1.3 billion payout.

Labour figures estimate that the utilities have made £50 billion in profits since privatisation. Water companies have delivered £10 billion of that while bills have risen 83 per cent on average.

More ammunition for the windfall tax came with the Trade and Industry Select Committee report into energy regulation published early this year. The report concluded that the shareholder had benefited disproportionately to the consumer and that regulation had been lax in the years after privatisation. Research commissioned for the report from the Centre for the Study of Regulated Industries said that last year electricity shares yielded 38.5 per cent on average while the water sector yielded 24.4 per cent. These levels were against a market rate of 11 per cent.

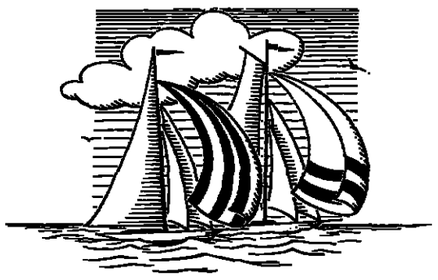
No escape from IPT

BY MARIANNE CURPHEY

LONG-TERM medical insurance policies which at present escape Insurance Premium Tax (IPT) will from October have to pay the tax at the rate of 4 per cent.

This closes a loophole in the tax rules, since most medical insurance plans (which last for just one year) and all hospital cash plans pay IPT. The move by the Chancellor to raise an extra £70 million a year by extending IPT to long term PMI contracts comes as a Manchester hospital prepares to launch a legal challenge to Customs & Excise, arguing that its products should be exempt from IPT.

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Sigh of relief in housing industry

MIRAS

By Martin Waller

THE Chancellor's decision to limit any further inroads into mortgage tax relief, by which the Government subsidises house purchases, was greeted with frank relief by the housebuilding industry.

Mr Brown said tax relief on mortgages would be cut from its current level of 15 per cent to 10 per cent from April 1998.

There had been fears among builders and mortgage lenders that the Chancellor would scrap tax relief on mortgages entirely. It is widely accepted that further erosion of its benefits will take place in future Budgets.

Matthew Ryall, an economist at the Royal Institution of Chartered Surveyors, said the changes were "nowhere near as bad" as some predicted.

Graham Roper, chairman of the upmarket Berkeley Group, said he was very pleased by what was, along with the increase in stamp duty, "a very sensible set of measures as far as housing is concerned".

> Abolition would have caused an unacceptable level of payment shock

He added: "The Chancellor said that he appreciated that a stable housing market was important. What he has done can be absorbed by the demand there is for housing without having an adverse impact on it."

Joe Dwyer, chairman of George Wimpey, said the reduction in tax relief rather than its removal was "prudent", as the benefit was a significant one, particularly to first-time buyers and those on a low income.

But mortgage leaders were less sanguine. The Council of Mortage Lenders, the main umbrella body, was disappointed by the reduction. "However, given the pre-Budget speculation, these moves do not come as a surprise, and the overall Budget package constitutes a prudent set of measures," a statement said.

Michael Coogan, the CML director-general, said he was relieved the Government had taken on board some of the industry's concerns and opted for reduction rather than abolition. "This would have caused an unacceptable level of payment shock for many home-owners at a time of upward drift in interest rates." Mike Jackson, chief executive of Birmingham Midshires Building Society, said the extra £10 a month was "a kick in the teeth to the housing market" and equivalent to a 0.25 per cent rise in mortgage rates. John Goodfellow, chief executive of Skipton Building Society, said: "We are disappointed that Labour have been as reticent as the previous government to stop the slow strangulation of Miras. It should either have been quickly executed or left alone."

The Chartered Institute of Housing said the five percentage points cut could be justified, but only if at least some of the savings were directed towards a new scheme to help low-income home-owners.

Interest relief on mortgages dates from 1969, as a measure to make home purchases more affordable, because that year tax relief on interest on all loans was scrapped.

The cost of mortgage interest relief to the Exchequer has been falling since it reached its peak in 1990-91. That year the cost stood at £7.7 billion; for 1995-96 provisional Inland Revenue figures put it at £2.7 billion. This fall is not merely the result of Budget changes, as the value to mortgage-holders will reduce as interest rates do the same.

So the average household's saving has fallen over the same period from £800 a year in 1990-91 to £260 in 1995-96. Low mortgage rates, commentators have observed, have provided the ideal opportunity to reduce the level of relief, as the pain to home-owners is limited. The same argument has been advanced by those who urge its abolition.

PETER TRIEVNOR



Tony Blair's home in Islington, north London, the £615,000 purchase price of which will require whoever buys it to pay £12,300 in stamp duty

Duty calls for househunting politicians

By Emma Wilkins

MPs' HOMES

MPs who have yet to find a home within the Division Bell area around Westminster will now have to lay their hands on several thousand pounds more to secure the accommodation of their dreams.

They are not alone. Whoever buys Tony Blair's house in Islington, north London, will have to pay £12,300 in stamp duty instead of £6,150 on the purchase price of £615,000.

Chris Patten, the former Governor of Hong Kong, will also be affected by the rise in stamp duty. He has yet to exchange contracts on a £500,000 four-bedroom house in Barnes, southwest London. Instead of £5,000, the stamp duty will now be £10,000.

John Major, too, could be affected. He is considering buying a house for more than £500,000 in Kennington, south London, and would face the same increase in stamp duty.

For many MPs, the rise will make a serious dent in their recent pay increase when they scuttled through the voting lobbies to award themselves an extra £9,000 a year, taking the salary of an MP from £34,000 to £43,000.

In Pimlico, there are half-a-dozen new Labour MPs still looking for a London base, according to estate agents Winkworths. However, most will be unaffected by the stamp duty increase as they are looking for flats below the cut-off £250,000, according to Alexander Leon, of Winkworths.

"In this area, properties on the market for above £500,000 tend to be the bigger houses. Most of the MPs are looking for one- or two-bedroom flats at rather less than that. I would say that most are looking at between £200,000 and £250,000 so they will be unaffected by the rise."

The increase will not dampen the property mini-boom in central London, Mr Leon predicted. "There might be the unlucky one or two who will get caught out by the rise, but most people will just carry on buying. Stamp duty hasn't gone up significantly enough to stop the market from continuing to rise. Frankly, people who are buying a house for half a million are not going to have too much trouble finding an extra £5,000," he said.

New ways around the stamp duty could include putting a house on the market for £499,950 and asking £10,000 separately for the kitchen appliances, Mr Leon suggested.

In Kennington, one estate agent has sold four houses and a flat to new MPs in the past few weeks. "They will be very pleased to have squeezed in before the stamp duty but most people will not be affected," Jonathan Male, of agents Daniel Smith, said. "The increase is far too low to stop the market from continuing to rise. I think if anything, it will enhance the market because people expected it to be a much bigger rise.

"Recently, we have sold three large house to Conservative MPs and a £230,000 house and a £98,000 flat to new Labour MPs. We still have some looking in this area, but most of them are looking for property below the cut-off £250,000." Property prices in Kennington have gone up by 25 per cent in the past year, he added.

Increase in tax will not stamp out sales

By Sara McConnell

HOMEBUYERS completing purchases of properties costing more than £250,000 after next Monday will have to pay an extra half a percentage point in stamp duty, up from 1 to 1.5 per cent. The duty rises to 2 per cent for properties costing £500,000 or more.

The Chancellor argued that raising the cost of expensive property would help to stabilise the market and keep prices under control, "to ensure a more balanced recovery" and avoiding the excesses of the 1980s boom. House prices had risen by up to 11 per cent over the year with sharper rises in the South East.

After the increases, buyers of a £300,000 house will pay £4,500 instead of £3,000. On a £700,000 property they will have to pay £14,000 instead of £7,000.

Estate agents and lenders predicted that the rises would have little impact. The Council of Mortgage Lenders said that less than 2 per cent of all properties changed hands for more than £250,000 and added: "It will have an impact on some purchasers, but it is unlikely that it will have a wider effect on confidence generally."

Lorna Vestey, partner in the estate agent Knight Frank, said: "At £250,000 this will hit a lot of people, but they are the sort who have salary increases. Above £500,000, people are well equipped to handle the extra cost." With some London homeowners seeing the value of the properties rise by up to 3 per cent a month, a 1 per cent increase in stamp duty when they bought elsewhere paled into insignificance, she added.

Commercial property and land transactions will also be hit. The Royal Institution of Chartered Surveyors said: "The increase will make commercial property still less attractive as an investment."

The rises will net the Treasury £240 million in 1997-98.

New owners can afford to feel suite about the future

There are sighs of relief for a couple who wondered if they could afford to sit down, says Russell Jenkins



Peter Mitchley-Hughes and Jane Butler in their Pulford, Cheshire, home

PETER Mitchley-Hughes, an accountant, and his girlfriend Jane Butler were hanging on the Chancellor's words yesterday. Their verdict after a tense wait was that Gordon Brown had passed the "three-piece suite test" — leaving them enough cash to furnish their new home in style.

The couple, who are both on the first rung of management, became proud owners for the first time six days ago of a £139,000 home and the Budget has come while they are still feeling financially vulnerable.

They had steeled themselves for an attack on home-buyers and had already ticked off the items of furniture, fixtures and fittings that might have had to wait until they could afford them. But last night they were joking about a visit to the stores this weekend.

Working out the balance sheet on the household budget in his head, the management accountant concluded: "This is not going to break the bank."

Mr Mitchley-Hughes, 26, works for Lever Europe, an arm of the Lever Brothers empire based in Port Sunlight, on the Wirral, Merseyside. Miss Butler, 29, is a logistics manager in the same company.

They earn good salaries but were reticent about the details. The couple readily acknowledge that their three-bedroom home on a newly completed estate in the village of Pulford, a part of the Cheshire commuter-belt near Chester, is more expensive than most first-time buyers can afford.

The two of them saved for more than a year to put down a substantial deposit on the property, built in the style of a nearby listed period house. The mortgage, taken out with the Alliance and Leicester, has a built-in 2 per cent discount on the standard interest rate for three years.

"It is quite a lot for a first property, so we had to get it right," said Mr Mitchley-Hughes. "We have built a bit of give into the equation. We assumed that interest rates would go up when the next Government got in." Miss Butler, who moved into her new home and immediately jetted off to Milan for a business trip, added: "It is a matter of prioritising." The cut of 5 per cent in mortgage tax relief (Miras) and the rise in petrol duties will have the biggest impact on the household budget.

"I had worked it out that if Miras had been abolished I would lose £22 a month. With 10 per cent, it will work out at roughly £10 a month," said Mr Mitchley-Hughes.

"I would think we will be getting the three-piece suite. It seems quite a neutral budget, not as bad as some of the newspaper headlines had been suggesting." They are a two-car household and often have to travel separately the 40-mile round trip to Liverpool. Rises at the petrol pump will be mitigated by Mr Mitchley-Hughes's economical diesel Peugeot 306. It means an extra £2 a week, or £10 a month, which they can absorb, he says.

Rises in alcohol taxes in line with inflation will not deter them from stocking the already fully-laden rack with table wine. The punitive increase in the cost of cigarettes will not worry these non-smokers.

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Grim-faced Brown glories at chance to be in charge

MATTHEW PARRIS
POLITICAL SKETCH

THIS was the ultimate in deflationary Budgets. It deflated the Tories, punctured the Liberal Democrats and flattened critics. As Gordon Brown punched his way with ease and confidence through 60 minutes of crowd-pleasing arithmetic yesterday, a frustrated William Hague looked ready to leap at the Chancellor and bite off a chunk of his ear. Despite an impressive debut of a Budget reply, Mr Hague never laid a finger on him.

Not that the Chancellor let that amuse him. "Cheer up!" shouted one wag as a grim-faced Gordon Brown ploughed through a manuscript some 6in thick (Brown's poor sight requiring a giant typeface). And still he would not smile. If he did not quite achieve a record for brevity, Mr Brown established one for levity: there was hardly a trace. In an hour, I recorded the ghost of smile tugging momentarily at those heavy jowls just once, as he noted that Britain would satisfy the Maastricht criteria.

Brown makes a virtue of severity. His suit was dark, his countenance dark, his tone dark and his rectitude positively thunderous. We thumbed our mental thesauruses in search of synonyms for "Presbyterian" and longed for one of those flag-blowing wind-machines in evidence at the Hong Kong handover, lightly to ruffle Brown's ink-black helmet of a haircut. If only the more elfin Tony Blair would lean over and tickle him.

The Chancellor had arrived early to watch his shadow, Peter Lilley, fail to scratch even the surface of the Labour front-benchers' self-esteem. Lilley had come to complain about alleged Budget leaks. That he and his party were wild with righteous indignation, and that they were unable to provoke the Prime Minister into more than a fit of giggles, marked another low-point in still-floundering Opposition morale.

The Chancellor's predecessor, Kenneth Clarke, had arrived a little late and sat in the overflow gallery upstairs. He was wearing make-up — presumably for television. Watching, wit: pencilled eyebrows and unbuttoned grin, Mr Clarke reminded us of an ageing music-hall entertainer who, his own stage routine being over, had slipped into the upper circle to watch.

No make-up, however, for Gordon Brown. He makes a traditionalist contrast with the soundbites of the 90s. There was something 1950s about this Chancellor's whole air. The pose and the rhetoric were barely post-war. He told us first about his "two golden rules," which sounded like prudence — and prudence.

As Mr Brown spoke, there were echoes of post-war phraseology. "The modern route to economic success!" he declared, as though puffing a home course in elementary bookkeeping. "Britain — the obvious first choice for investment!" "The Welfare State — a great British achievement!" "A People's Budget for Britain's Future!" It was as though the language of the Britain of his Scottish childhood, subliminally absorbed, was resurfacing now he was in charge.

And how he loved being in charge. As he unveiled his plans to turn Britain's young underclass into an army of nannies and pipe-laggers, phrases like "I can now announce," were growled with the leaden exuberance of one who for half a decade has been condemned to snipe, when his nature is to decide.

The whole government front bench somehow paled as he spoke. Even the Prime Minister looked flimsy and insubstantial beside him. Opposite, the former Attorney-General, Sir Nicholas Lyell, sketched Mr Brown as he spoke. I have the hunch that the sketch will be worth keeping.

Cost of motor cover likely to increase

BY MARIANNE CURPHEY AND IAN MURRAY

ACCIDENT INSURANCE

MOTORISTS face increased insurance bills after the Chancellor's decision to encourage NHS hospitals to claw back from insurers the £440 million a year cost of treating road accident victims.

The maximum that hospitals will be able to claim from insurers is £3,300 per person, which includes just under £3,000 for inpatient care and £295 for outpatient care.

At present the NHS is able to reclaim just £10 million a year from insurers. Under the 1988 Road Traffic Act all health trusts are able to reclaim the cost of treatment, but only about half attempt to do so. The total cost of treating the 300,000 people a year injured in road accidents is £440 million.

Health service leaders questioned whether the proposals would be practical or make economic sense. "Hospitals are good at treating people but they do not have the skills needed to recoup money," said Barbara Connah of the NHS Confederation, which represents all hospital trusts and health authorities.

"This would mean we would have to put the work out to get skilled people who were capable of doing it. In road accidents it is not always clear who is to blame and you would have to prove negligence before you could claim any money. The last thing we would want would be to get involved in a long legal case. That all means it might cost more money to collect these charges than they are likely to bring in."

Sandy Macara, chairman of the British Medical Association, said that the idea was interesting although he could foresee long-lasting legal battles. "I expect that insurance companies will just pay for this by putting up the premiums and that will hurt those who need their cars for work." Dr Macara said. "Younger people already find that insurance charges are prohibitive and this could make it even more difficult for them to run a car which they might have to have for work. At the end of the day, I expect this will all be a pretty minor thing."

The Association of British Insurers and the Automobile Association said that motorists would ultimately meet the cost. Malcolm Tarling, an insurers spokesman, said: "This is very likely to contribute to a significant increase in costs to insurers and hence to policy holders in terms of increased premiums." The AA said the cost to each motorist could be an extra £20 on their average £350 a year policy.

A spokesman for the Department of Health said the cost of treatment had to be paid within seven days. "What usually happens is that the motorist responsible for the accident pays out of his own pocket and then reclaims the sum from his insurer."

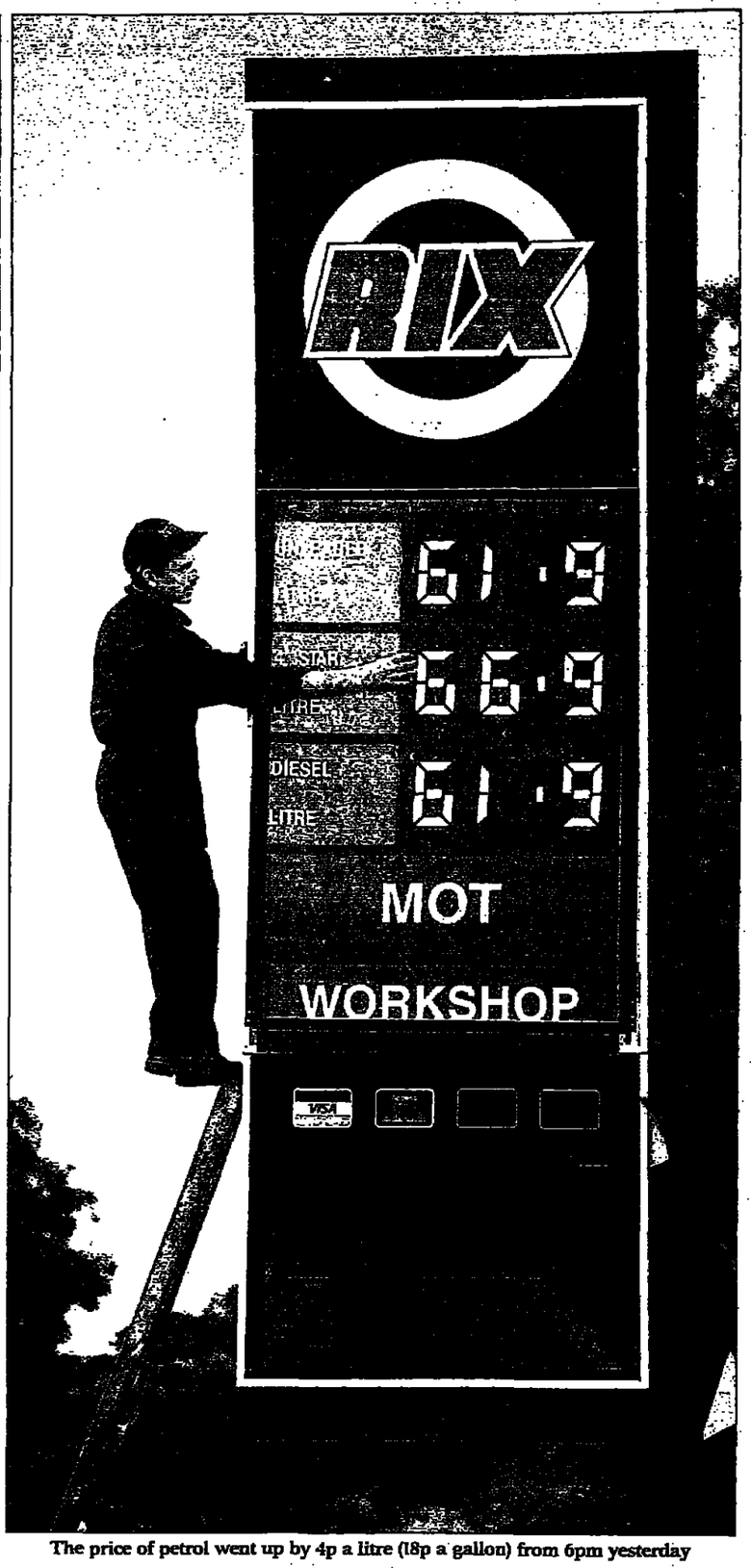
Direct Line, the biggest motor insurer in Britain with 2.2 million customers, said: "We already pay substantial sums after road traffic accidents but we acknowlege the purpose of insurance is to protect and pay for the injuries to the innocent third party."

The proposal surprised the Law Commission, the Government's law reform body, which in December put forward similar suggestions. The commission said its report that a "strong case" could be made for enabling the NHS to claw back its costs in all personal injury cases where someone had admitted liability or been held to be negligent by the courts.

Yesterday Professor Andrew Burrows, the commissioner in charge of the reforms, said: "If the Government is to proceed with this we would be delighted. But we are quite surprised; it was not something we expected to be taken forward quite so quickly." The Commission had only just completed its consultation on the proposals, and had yet to receive a reponse from the Health Department. Professor Burrows said.

Knowing how to put a claim together would be difficult. Under the Road Traffic Act ambulances can charge £21 for a callout and insurance companies will pay this without any prejudice of responsibility. The average cost of sending out an ambulance is around £50. Some fire brigades are already considering charging motorists when cutting equipment is used to free victims in car crashes.

Frank Dobson, the Health Secretary, said last week that the average cost of keeping someone in an NHS bed was £1,000 a week, but patients with serious injuries might need intensive care treatment which costs upwards of £500 a night. Operating theatre costs are about £10 a minute. On top of this are the costs of physiotherapy and long-term rehabilitation for those with serious bone injuries. In some cases this has to go on for a lifetime.



The price of petrol went up by 4p a litre (18p a gallon) from 6pm yesterday

Car fuel rises by twice rate of inflation

BY ARTHUR LEATHLEY AND KEVIN EASON

PETROL

CAR manufacturers breathed a sigh of relief as Gordon Brown backed away from imposing new taxes on company cars. However, the Chancellor added more than £1 billion to the cost of motoring by increasing petrol prices by more than twice the inflation rate.

Labour's promise to encourage wider use of public transport prompted fears among motoring organisations that the Chancellor would use his first Budget to introduce tough curbs on the use of company cars.

However, Mr Brown made no changes to the current tax rules, and did nothing to meet environmental campaigners' calls for new taxation on company parking. He limited additional motoring taxes largely to a higher increase on fuel than introduced under the Conservatives. Petrol prices increased by 4p a litre (18p a gallon) from 6pm last night. The 6 per cent rise is 1 per cent more than under the long-term Conservative Budget plan. Unleaded petrol will rise to 66.3p a litre, four-star will rise to 68.6p, and diesel will increase to 64.6p.

The Government last month began a nine-month review of roads intended to discourage unnecessary car use, with high petrol costs likely to form a key part of the strategy. The Centre for Economics and Business Research predicted last night that the rises announced by Mr Brown would reduce the amount of car use by 1.15 per cent by 2000.

Vehicle owners face an inflation-rate rise on the £145 annual road tax, taking the cost to £150 from November 17.

The Chancellor also announced that lorries and buses that meet low-emission targets could have their annual car tax costs — which are as much as £3,000 a year — reduced by a maximum of £500.

VAT cut warms the pensioners

DOMESTIC FUEL

THE Chancellor cut the rate of value-added tax on domestic fuel from 8 per cent to 5 per cent in a long-awaited move which brought an enthusiatic response from pensioners' groups (Nathan Yates writes).

The reduction introduced by Gordon Brown, which takes effect from September 1 and will cost the Treasury £485 million a year, was a flagship pledge in Labour's election manifesto. Since Norman Lamont, the Tory Chancellor, introduced VAT on domestic fuel in 1993, Labour has argued that the tax targets those who are least able to pay, including pensioners who suffer from high winter heating costs.

Launching the VAT cut, Mr Brown said that its introduction in September was specifically designed to assist the elderly with winter heating bills. He added that an additional reduction in fuel costs could be expected next April, when the gas levy will be abolished.

This is charged on purchases by gas companies, and raised £200 million last year. The benefit from both tax cuts will add up to a £90 fall in the average annual fuel bill, the Chancellor said.

Age Concern said the reduction in VAT on fuel would delight the elderly. "We are extremely enthusiastic about this," a spokesman said. "The warmth of pensioners is a measure of the civilisation of a society, and at last this group is getting some respect from politicians."

The new 5 per cent level is the lowest possible under European Union regulations, and diverges from the standard continental charge of 15 per cent.

It also stands in sharp contrast with the 17.5 per cent rate which John Major's Government attempted but failed to introduce in 1995.

According to the Treasury, the average household will be £18 a year better off as a result of the VAT cut. However, Conservatives say that this benefit will be cancelled out as the costs of the windfall tax, levied on several fuel suppliers, are passed on to consumers.

Media pundits confounded

GREAT ESCAPES

AFTER weeks of speculation that Gordon Brown was planning to hit the middle classes hard with backdoor taxes, he sprung yet another Labour surprise for this Budget, at least, they had a great escape (Damian Whitworth and Andrew Pierce write).

Prediction after prediction was proved wrong. There had been fevered excitement about green taxes but much of that proved to be hot air.

Owners of company cars who listened to some commentators over the past two weeks might have been forgiven for thinking that the Chancellor was about to demand the donation of a major organ before they could drive again. The call was not made yesterday, though Mr Brown gave a warning that he could get tough in the next budget.

Mr Brown did not wade in on inheritance tax, nor did he abolish the national insurance ceiling for high earners, or whack mobile phone users.

He raised stamp duty from 1 to 2 per cent on properties worth more than £500,000 and to 1.5 per cent for those worth £250,000, but estate agents had been sweating at the prospect of worse.

Pundits who suggested that mortgage interest relief would be abolished altogether will have been keeping a low profile after a reduction of just 5 per cent to 10 per cent.

The distillers will no doubt have raised a wee dram to the Chancellor after whisky went up only in line with inflation, and while cigarettes have been hit hard — up 19p on a pack of 20 — this will not come until December. Smokers who roll their own escaped altogether.

A sigh of relief will have issued from the manufacturers of alcopops, who from the recent huffing and puffing coming from the government health team might have made inquiries about leasing premises for a new generation of speakeasies. They, like so many others, can relax ... until Mr Brown's next Budget.

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Two British commercial successes that cost under £15 million and would have benefited under the new scheme: *Jude*, with Kate Winslet and Christopher Eccleston, left, and *Brassed Off*, with Stephen Tompkinson

Tax action greeted with joy by movie-makers

THE FILM INDUSTRY

BY DALYA ALBERGE AND ERIC REGULY

THE British film industry received a dramatic boost yesterday with long-awaited tax incentives to promote the nation as a major player worldwide.

Sir David Puttnam was among leading film-makers who expressed delight at a 100 per cent tax write-off on production and acquisition costs for British films with budgets up to £15 million. The whole country, they emphasised, would benefit through the creation of jobs and soaring exports.

Sir David said: "We're very happy. This is wonderful news after an eight-year campaign." It means that Britain can compete with Ireland and other countries which have long offered tax breaks."

Film financiers will find risks cut considerably. "It's probably worth 10 per cent to a film's budget," he said.

Chris Auty, managing director of the Recorded Picture Company — films include *The Last Emperor* — said: "This is the best news the industry has had for 15 to 20 years. It's an act of considerable wisdom and also of courage. Although the Government clearly sees the industry as a promising export-earner and creator of labour — and, therefore, politically desirable — I'm slightly surprised at their determination to put it through in their first Budget."

His views were echoed by Lynda Myles, who produced *The Commitments*: "This is one of the things the industry has been wanting for a long time. It's wonderful to work with a Government that is more sympathetic to the industry which can make a huge contribution back. It's great that the Government responds to the needs of the industry as quickly as this, given all the things it has to deal with."

Tax relief measures introduced by the Chancellor will reduce the cost of making films in Britain by allowing film makers to recoup their investment earlier. The changes are similar to the proposals put forward last year by the Middleton Committee on film finance and by the film industry itself.

Under the new measures, the production and acquisition expenses of films costing £15 million or less will qualify for a 100 per cent tax write-off as soon as the film is completed. The scheme starts immediately and will run three years.

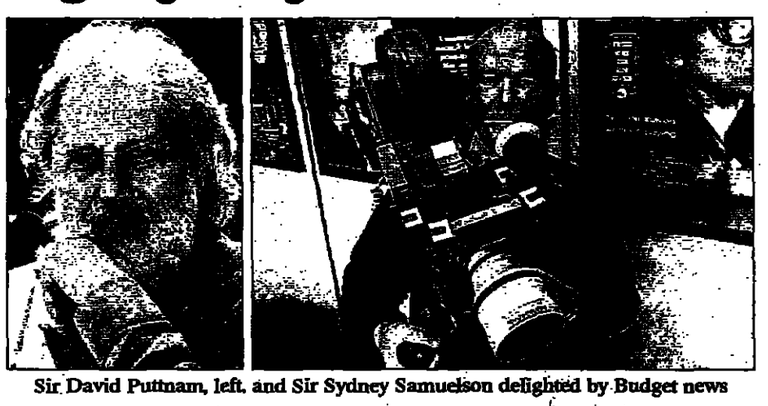
The current system allows film costs to be written off pound-for-pound as the film generates income, which could be years after its completion, or at a flat rate of 33.3 per cent a year, starting when the film is completed.

London Economics, City consultants, predicts the new system could boost investment by more than 30 per cent in the first year, create as many as 11,000 jobs and send film exports soaring by a third, at a projected cost of £30 million over the scheme's initial three-year period. Against that the extra exports could improve the balance of payments by £300 million, it was said.

Sir Sydney Samuelson, the British Film Commissioner, applauded the announcement. "Tax incentives for investors in this dynamic business will offer major economic growth possibilities," he said.

Wilf Stevenson, director of the British Film Institute, called it "a real shot in the arm for the UK film industry". He added: "Until now, the UK was alone in Europe in not having some form of tax incentive aimed at levelling the field for film-makers."

The BFI cited *Brassed Off* and *Jude* among British movies made for £2.5 million and £5.7 million that would have benefited. Both were commercial successes.



Sir David Puttnam, left, and Sir Sydney Samuelson delighted by Budget news

Chris Smith, the National Heritage Secretary, said: "For years, the British film industry has been waiting for a Government willing to listen to their arguments and provide tangible help. "Only eight weeks after taking office the new Government has delivered the help they want. This is a really significant step in getting more British films made and in attracting still more overseas film-makers here to use our facilities and our craftsmen and actors — the best in the world."

Tom Clarke, Minister for Film and Tourism, noted how film in America is one of the top three industries. "I believe our film industry has the potential to assume that sort of importance within our economy," he said.

The news was also welcomed by Gary Smith, chief executive of Winchester Multi-Media plc, whose most recent successes include *Shooting Fish*, made on a budget of £2.5 million. He said: "This is further evidence of the Government's commitment to the film industry. Our industry ... creates jobs and exports and is good for the country."

Jeff Kaye, European bureau chief of *The Hollywood Reporter*, noted that the Government "obviously has the British film industry in mind because this leaves out tax breaks for any Hollywood blockbusters like *Mission Impossible* or *Star Wars* that have been shooting here with budgets closer to £65 million."

Stewart Till, president of International Polygram Filmed Entertainment, exclaimed: "The Renaissance of the industry ... will be accelerated." Commenting on whether multi-million companies needed such incentives, he said: "I'd argue that the majority of the recipients will be small production companies."

He emphasised that "the income to the Treasury will many times cover the losses incurred by this measure."

Bootleggers will be big winner in smoking wars

BY DANIEL MCGRORY

SMOKERS were last night tempted to become secret hoarders or forage on the black market for cigarettes after the Chancellor delayed the budget price increase until December.

Most smokers are likely to stockpile boxes of kingsize before Christmas to avoid the 19p a packet tax rise. Many were already asking corner shopkeepers how best to store their hoard.

Paul Mason, an independent retailer and spokesman for the Tobacco Alliance, said: "Some smokers may imagine they might turn a quick profit by selling on their stockpile, but our prediction is that it is a little like having sweets in the cupboard. If you have them you smoke them, so long before Christmas they will all be gone.

"The Chancellor has done the health lobby no favours by this delayed price rise".

He believes British smokers will now become habitual travellers. "The only people on cross-Channel ferries will soon be smokers." A packet of twenty that will now cost £3.40 here can be bought in France for £2.12 and in Spain for under £2. "Shops will have to let go staff right away and many will close," Mr Mason said.

There will be rises of 8p on a pack of five small cigars and 10p on a 25g pack of pipe tobacco. There will be no increase for hand-rolling tobacco. The precise figures are: Cigars up from £98.02 per kg to £105.86, an 8 per cent rise; other smoking tobacco, including pipe and chewing tobacco, up from £43.10 per kg to £46.55, also a rise of 8 per cent.

The tobacco industry described this first ever delayed increase as "bewildering" and predicted it will cause chaos. "The big winners will be the bootleggers," Mr Mason said.

The Tobacco Manufacturers Association said "The delay will cause confusion. Demand will obviously leap in the short term, but we will start an urgent investigation into what the effects of the staggered rise will mean for ourselves and retailers".

"There is no doubt the ultimate winner will be the bootleggers and smugglers," a spokesman said. "Before December there can be no restriction on what people stock up with."

A Treasury spokesman said the Chancellor had considered the likely stockpiling. "The reason for this unprecedented delay is that this is a budget in unusual circumstances. Duty rises on alcohol and tobacco usually come into effect later in the year and the Chancellor thought it was fair to stay in line with this timetable. There is also a major tobacco policy review going on which should be completed at about the same time. The Customs and Excise are preparing to crack down hard on any increased smuggling both by individuals on cross-Channel trips and organised gangs."

A spokesman for the Tobacco Manufacturers Association condemned the rise as "a windfall boost for the bootleggers whose business is growing by the week and who already cost the Exchequer £550 million a year in lost taxation".

The industry expects consumption to drop faster. "The number of smokers has dropped 40 per cent in 20 years, and almost all give up because of the cost, not the worry over health," the spokesman added.

"Yet again smokers are seen as a soft option by the Chancellor, who seems intent on caning the 15 million adults who already provide him with £19,000 in revenue every minute. "Twenty cigarettes went through the £3 barrier in the last Conservative budget in November 1996. The industry estimates that at £3.12 for a standard packet, the smoker already pays £2.63 in tax.

Clive Bates, director of Action on Smoking and Health — the anti-smoking campaign group Ash, said: "Most smokers want to quit and the price rise is usually the last straw for most of them and forces them to finally give up. This bigger than expected price rise will force more than ever to quit."

Ash estimates the price rise means that 2.2 billion fewer cigarettes will be smoked next year. "It will save 3,500 lives and earn the Treasury an extra £690 million, so we are pleasantly surprised."

The Royal College of Physicians said the Chancellor had made a "courageous atttempt to tackle the huge cost of smoking". But the Freedom Organisation for the Right to Enjoy Smoking Tobacco criticised the price rise as "punitive and cynical".

Marjorie Nicholson, director of Forest, said: "Up to December 1 it will be a bonanza for smokers, and after December 1 it will be a Christmas bonanza for smugglers."

Forest reminded the Chancellor last night that in April the European Commissioner responsible for customs and taxation, Mario Monti, said that to eliminate the high tax differences between Britain and the rest of Europe would need an "unrealistic" large increase in other countries and that Britain needed to recognise that "tackling the problem of tobacco smuggling may require reducing national rates and improving control measures".

The Fair Cigarette Tax Campaign said the increase meant tax on cigarettes was now 80 per cent on a typical pack. A spokesman, Eddie Cassidy, said: "This will simply add to the misery of pensioners and smokers on lower incomes who are least able to afford it."

ALCOHOL AND TOBACCO

BY DOMINIC WALSH AND NATHAN YATES

THE Chancellor's decision to peg rises in alcohol duty to inflation, pending a review, received a qualified welcome from the drinks industry last night.

Brewers and off-licence owners were watching Mr Brown's first Budget for signs that he would address the problem of cross-channel bootlegging, and he did not let them down. An important element of the review will be the effect on the economy of alcohol smuggling.

But his comments were derided by one bootlegger. "Booze prices across the Channel are much cheaper than over here and no amount of reviews are going to change that," he said. "I'll be doing business as usual."

Mr Brown had been widely expected to address the growing problem of alcoholic soft drinks, the so-called alcopops phenomenon. But as with bootlegging, he effectively postponed a decision until the review is completed.

A spokesman for Alcohol Concern expressed surprise that alcopops were not mentioned. "It's our view that a hefty rise in duty on alcopops would be a deterrent to underage drinking. Hopefully his promise of a wider review means that decision is postponed rather than abandoned."

Mr Brown was criticised by the Scotch Whisky Association for linking rises, the first scheduled for January, to inflation. "It simply reverses recent progress and again widens discrimination against spirits," said a spokesman.

But he welcomed the review of the current "illogical" structure, calling for Mr Brown to introduce a system for all drinks to be taxed at a rate based on their alcohol content.

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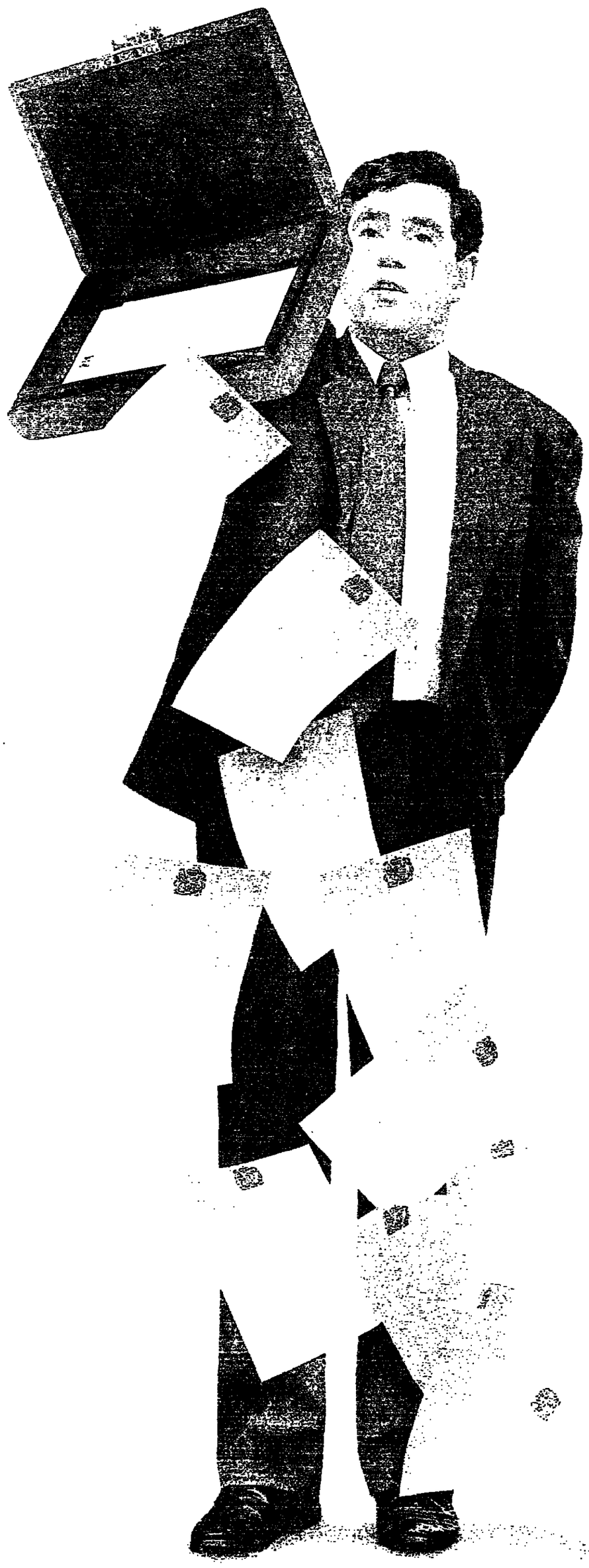
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Chancellor's speech: Brown delivers 'people's Budget' with

'I will tackle the weaknesses that have held Britain back for too many years'



The Budget that I lay before the House today represents more than an allocation of resources and an accounting of revenues.

Because behind the numbers and statistics the central purpose of this Budget is to ensure that Britain is equipped to rise to the challenge of the new and fast changing global economy. Not just a few of us. But everyone. The impact of the global market in goods and services, and of rapidly advancing technology, is now being felt in every home and every community in our country. New products, new services, new opportunities challenge us to change; old skills, old jobs, old industries have gone and will never return. Yet for our country, the first industrial nation, this new global economy driven by skills, creativity, and adaptability offers a historic opportunity.

The dynamic economies of the future will be those that unlock the talent of all their people, and our creativity, our adaptability, our belief in hard work and self-improvement, the very qualities that made Britain lead the world in the 18th and 19th centuries are precisely the qualities we need to make Britain a strong economic power in the 21st century.

But to achieve this we must address the four weaknesses that have held us back for too long and for too many years — instability, underinvestment, unemployment, and the waste of talent.

In this Budget I will address each of these weaknesses in turn to ensure stability, investment, work, and opportunity for all.

I turn first to stability because without stability all plans for investment, employment and education founder. In a global economy, long-term investment will come to those countries that demonstrate stability in their monetary and fiscal policies, and in their trading relationships, and for Britain this means stability in our relations with Europe.

In May the Government established a wholly new framework for monetary stability: open and accountable, based on clearly established rules and discipline. The Government sets the inflation target, and the Bank of England sets interest rates to meet that target.

This reform signified our determination to break from the short-termism of the past and establish long-term confidence. In this Budget I will match these measures for long-term monetary stability with measures designed to promote long-term fiscal stability.

The Chancellor is first and foremost the guardian of the people's money. But during the 1990s the national debt has doubled. This year alone the taxpayer will pay out £25 billion in interest payments on debt, more than we spend on schools.

Public finances must be sustainable over the long term. If they are not then it is the poor, the elderly, and those on fixed incomes who depend on public services that will suffer most.

So, as with our approach to monetary policy, so in fiscal policy: we will now establish clear rules, a new discipline, openness, and accountability.

My first rule — the golden rule — ensures that over the economic cycle the Government will borrow only to invest and that current spending will be met from taxation.

My second rule is that, as a proportion of national income, public debt will be held at a prudent and stable level over the economic cycle. And to implement these rules, I am announcing today a five-year deficit reduction plan.

Together, these rules and this plan will ensure a historic break from the short-termism and expediency that have characterised the recent fiscal policies of our country. As with our monetary policy, our fiscal policy will be all the more credible for being open and accountable.

Immediately upon coming to office the Government invited an independent scrutiny by the National Audit Office of key assumptions in the public finance forecasts. This independent scrutiny will continue into future Budgets with further work by the National Audit Office and, with publication, some months in advance of every Budget, of an assessment for open debate of what is happening to the economy and to the people's money.

My Budget today sets out a forecast for public borrowing this year and next. And for the following three years, projections for the public finances based on different scenarios for the growth of public spending.

And I can report that in each and every case, our deficit reduction plan ensures that we are on course to meet the two fiscal rules that guide our approach to the public finances. Any Budget seeking to achieve high and stable levels of growth and employment must be guided by the true state of the public finances, but also by a clear assessment of the state of the economy. And to that I will now turn.

INFLATION

We have seen a rapid growth of consumer spending, of nearly 4 per cent over the last year. With the prospect of further windfalls from the building societies, consumer spending is likely to remain strong.

There has been a sharp rise of 7 to 11 per cent in house prices, with even higher rises in the South East. The growth of average earnings has accelerated to 4.5 per cent a year. The rate of broad money growth has been, around 10 per cent for a year.

These increases in consumer spending, earnings, and money supply are continuing even as industrial production and manufacturing output have been recovering only slowly. It is essential that consumer spending is underpinned by investment and industrial growth.

Britain cannot afford a recurrence of the all too familiar pattern of previous recoveries: accelerating consumer spending and borrowing side by side with skills shortages, capacity constraints, increased imports and rising inflation. Already there are warning signs that this pattern could be repeated.

In similar circumstances some of my predecessors have ignored these signs while others have deluded themselves into believing that growth, however unbalanced, was evidence of their success. I will not ignore the warning signs and I will not repeat past mistakes.

The Treasury's assessment is that the output gap is close to zero, and there is a risk that output could already be above trend. In other words our sustainable rate of growth is too low for growth to continue at its current pace without the risk of more inflation. That is why in May I judged interest rate increases were necessary, and events since then have confirmed that this was the correct judgment.

But against these pressures we must take into account both the subdued level of producer price inflation and the current strength of sterling, which, over the last year, has appreciated by 18 per cent. I understand and share the concerns of industry and exporters and will address them.

As the figures demonstrate, there is now an imbalance between strong growth in the consumer and service sector and weak growth in the manufacturing and exporting sector. Nonetheless what worries manufacturers even more is that inflation could get out of control and herald a return to the instability of stop-go.

My goal is therefore to ease inflationary pressures without damage to industrial and exporting prospects and to do so in a way that is consistent with our long-term objective of high and stable growth and employment. In this way we can moderate the upward pressure on interest rates and on the exchange rate. As well as further our objective of sustainable public finances.

I have therefore decided to tighten fiscal policy, as a result of Budget measures including the windfall tax, by £5.5 billion this year and £4.75 billion next year. And, with the resulting reductions in the deficit, I am able to present an economic forecast putting us back on course for a more balanced and more lasting recovery. And for long-term stability in the public finances.

The forecast is that GDP will grow by 3.25 per cent this year and 2.5 per cent next year before returning to its trend rate.

Consumer spending which is expected to increase by 4.5 per cent this year is forecast to grow more slowly at 4 per cent next year. Business investment, which has failed to meet expectations over the past two years is forecast to rise strongly this year and next, so increasing investment as a share of GDP.

Finally, inflation is expected to remain at 2.5 per cent this year, the Government's target, rising slightly to 2.75 per cent next year as a result of the failure by the last Government to take early action to control inflation, before returning to 2.5 per cent in 1999.

To achieve long-term stability is to achieve something no Government has done for decades. But stability is a necessary, not a sufficient, condition for the Government's objectives of high and stable levels of growth and employment.

A prudent estimate of the current trend rate of growth is only 2.25 per cent. Higher growth will have to be achieved rather than assumed. But I believe that as a country we can achieve higher long-term rates of growth if — from this Budget onwards — we expand investment and capacity, promote employment, and increase our country's skills.

If we are to do so more of our companies will have to rise to the level of our best. And it is to far reaching measures that will raise the quantity and quality of investment that I now turn.

INVESTMENT

Since 1980 the UK has invested a lower share of GDP than most other industrialised countries, and GDP per worker has been lower too. For every £100 invested per worker in the UK, Germany has invested over £140, the US and France around £150, and Japan over £160 per worker.

The objective behind our two year long corporate tax review — begun in opposition — has been to develop a tax system that encourages personal savings, favours higher levels of investment, rewards long-term investment, and is fair to all. Our consultations on capital gains tax will be completed in time for the next Budget.

> "My golden rule is that current spending will be met from tax and the Government will borrow only for investment"

Half the adult population of our country hardly save at all. So in order to encourage personal savings the Government will, as promised, introduce from 1999, individual savings accounts, extending the principle of Tessas and Peps, continuing to offer favourable tax reliefs for saving. Through the new individual savings account we intend to encourage the habit of saving among people who have never saved before. I can confirm also that this Budget will not proceed with the last Government's proposal to phase out tax relief on employee pension contributions.

But this point in the recovery is also the right time to make changes in corporation tax to encourage more long-term investment.

My changes in monetary policy were designed to help companies make long-term investment decisions with confidence. My changes in corporation tax are directed to the same long-term objective.

I want the United Kingdom to be the obvious first choice for new investment. So I have decided to cut the main rate of corporation tax by 2 per cent from 33 per cent to 31 per cent, the lowest ever rate in the UK. This means that we will have the lowest corporation tax rate of any of our major competitors — Germany, France, America or Japan — and we will have it under this Government. This is a long-term commitment that will increase both inward investment and domestic investment to the benefit of the whole country. Too often British companies have invested too little, and too late in the economic cycle.

Because I want companies to get the benefit now, the 2 per cent corporation tax cut will start from April 1997.

TAX CREDITS

This tax cut is the first component of this Budget's investment strategy. The second is a structural reform that will also encourage investment.

The present system of tax credits encourages companies to pay out dividends rather than reinvest their profits. This cannot be the best way of encouraging investment for the long term as was acknowledged by the last Government.

Many pension funds are in substantial surplus and at present many companies are enjoying pension holidays, so this is the right time to undertake a long-needed reform. So, with immediate effect, I propose to abolish tax credits paid to pension funds and companies.

For Pep holders, for individuals who do not pay tax and for charities, tax credits will continue to be paid until April 1999.

By this time the introduction of individual savings accounts will ensure that individuals have the opportunity to continue to be able to save with tax advantages. So they will continue to have favourable tax incentives to invest in equities. Basic and lower rate taxpayers do not pay any extra tax on dividends they receive: that will remain the position. And we will ensure that higher rate taxpayers will pay no more than they do now.

Advance corporation tax will continue to be paid by companies on their dividends at the same rate as now. To stop the yield from ACT being eroded by greater use of foreign income dividends, we are ending the foreign income dividends scheme from April 6, 1999.

International holding companies will continue to pay dividends out of foreign income without paying advance corporation tax.

I will make special provision for charities through public expenditure. Tax credits will be paid to them until April 1999 and after April 1999 the Government will fund a five-year transitional period. So charities will have seven years in total in which to adjust to the change.

Charities have been pressing for a review of their tax treatment for some time. The Government will now consult widely on how the tax treatment of charities can be made more appropriate to help charities today. Charities too will of course gain, like others, from the longer-term benefit to their shareholdings that higher company investment and profits will bring.

In future new jobs are likely to come from a large number of small businesses than from a small number of large businesses.

The route to success is not for the Government to try to pick winners but to create an environment in which more firms have more chances, by their own efforts, to succeed. That is why I have decided to do more to assist investment in small businesses. I have therefore decided to cut the small companies tax rate by 2 per cent from 23 per cent to 21 per cent, and to do so from April 1997.

In the past investment incentives have been introduced in recessions when companies are least able to consider new investment.

But at this point in the economic cycle an investment incentive should encourage companies considering future investments to bring those investments forward. I have therefore decided, with immediate effect, to double for one year the level of first year capital allowances on plant and machinery for small and medium-sized firms. This will apply to both companies and unincorporated businesses.

This means that if a firm invests within the next twelve months it

Continued on facing page

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a promise of stability, investment, work and opportunity for all

From facing page

can set off against tax not a quarter of its investment as hitherto but a half.

Over 3.5 million businesses will be eligible for this relief. It will be worth £230 million to small and medium-sized businesses next year and £170 million the year after.

It will be largely paid for by reinstating the one-year carry back time for corporate losses, which was temporarily extended to three years during the recession.

Taken together, the cut in corporation tax and the new investment incentive represent a significant boost for small business investment. Britain moves forward with one of the most favourable tax regimes for small businesses of any country.

FILM INDUSTRY

Britain is increasingly leading the world in those industries which most obviously depend on the skills and talents of their workers — communications, design, architecture, fashion, music and film.

Our national endowment fund for science technology and the arts will offer talented young artists and scientists, the finance to turn British ideas into successful business ventures. But despite the British film industry's outstanding record of creative and critical success, too many British films that could be made in Britain are being made abroad, or not at all.

The talents of British film makers can and should, wherever possible, be employed to the benefit of the British economy. So, after today, production and acquisition costs on British films with budgets of £15 million or less will qualify for 100 per cent write-off for tax purposes when the film is completed: a three-year measure at a cost of £30 million that will not only boost the number of British films but the British economy by boosting our exports.

WELFARE

In the new economy however, where capital, inventions, even raw materials are mobile, Britain has only one truly national resource: the talent and potential of its people. Yet in Britain today one in five of working-age households has no one earning a wage. In place of welfare there should be work. So today this Budget is taking the first steps to create the new welfare state for the 21st century.

The welfare state was and remains a great British achievement. It was set up to provide security for all, and opportunity for all, goals as relevant today as in 1945.

But for millions out of work or suffering poverty in work, the welfare state today denies rather than provides opportunity. It is time for the welfare state to put opportunity again in peoples' hands.

First, everyone in need of work should have the opportunity to work. Second, we must ensure work pays. Third, everyone who seeks to advance through employment and education must be given the means to advance. So we will create a new ladder of opportunity that will allow the many, by their own efforts, to benefit from opportunities once open only to a few.

Starting from next year, every young person aged 18-25 who is unemployed for more than six months will be offered a first step on the employment ladder.

Tomorrow the Secretary for Education and Employment will detail the four options. All involve training leading to qualifications: a job with an employer; work with a voluntary organisation; work on the environmental taskforce; and, for those without basic qualifications, full-time education or training. With these new opportunities for young people come new responsibilities. There will be no fifth option — to stay at home on full benefit. So when they sign on for benefit they will be signing up for work. Benefits will be cut if young people refuse to take up the opportunities.

This new deal for the young is comprehensive, rich in opportunity, linked to the development of skills and has already attracted the support of some of Britain's leading companies. I urge every business to play its part in this national crusade to equip this country for the future by taking on young unemployed men and women.

I appeal to every voluntary organisation to make a further contribution to their community by taking on a young person. And I will make it possible for every member of this House to act as an ambassador for this venture, encouraging young people in their constituencies, consulting, talking to local businesses and bringing them together to play their part in this new deal for young people.

There are 350,000 adult men and women who have been out of work for two years or longer. The second component of our Welfare-to-Work programme will offer employers a £75-a-week subsidy to employ long-term unemployed men and women. Yet many of them who lack skills are debarred by the 16-hour rule from obtaining them. For this group — the unskilled — the 16-hour rule will be relaxed so that when the long-term unemployed sign on for benefit they will now sign up for work or training.

This programme of £3.5 billion — which includes an unallocated reserve of £500 million — will be the main item funded from the windfall tax on the excess profits of the privatised utilities, the details of which I will give the House shortly.

But in this Budget I will address also the needs of the two other important groups: lone parents and those in receipt of incapacity and disability benefits who, as a matter of principle, should also have the right to work.

There are now 1 million lone parents bringing up 2 million children on benefit. Any Welfare-to-Work programme that seriously tackles poverty in our country must put new employment opportunities in the hands of lone parents. So today I am allocating a total of £200 million from the windfall fund for the most innovative programme any Government has introduced for advice, training and day and after-school childcare to support lone parents.

> "In the new economy Britain has only one truly national resource, the talent and the potential of its workforce"

Currently lone parents receive little encouragement to seek work before their youngest child is 16. Under the programme I am announcing today, when the youngest child is in the second term of full-time schooling, lone parents will be invited for job search interviews and offered help in finding work that suits their circumstances. On Friday the Social Security Minister will explain to the House the full details of how this radical new programme will be introduced.

CHILDCARE

But from now on — as it should be — an integral part of our economic policy. So first we will increase the supply of childcare in our country and make it more accessible; as part of the new deal for the under 25s, we will encourage voluntary organisations to take on and train young people and help them into careers as childcare assistants.

We believe that over a five-year period as many as 50,000 young people can be trained as childcare assistants. Second, we will make childcare more affordable; from next summer every lone parent with more than one child who qualifies for family credit, housing benefit or council tax benefit will have the first £100 of weekly childcare costs disregarded in calculating their in-work benefits; and from now on every lone parent with children of 12 years old or younger will be able to receive help; lottery money will be made available for after-school clubs. And as we replace the wasteful and chaotic system of nursery vouchers we will be able to offer reliable access to nursery places for every four-year-old in Britain.

With these measures, that bring both childcare and employment within the reach of many more parents, we have taken the first step to a national childcare strategy for the United Kingdom.

No one in our society, in 1997, should be excluded from the right to work either because of disability or incapacity, if they want to do some work. So as a final element of our Welfare-to-Work strategy we will also bring forward proposals to help those who are disabled or on incapacity benefit who want training or work. To fund this programme and other measures I have set aside £200 million from the windfall fund.

Taken together these comprehensive and ambitious initiatives mean that, from now on, no section of society should suffer permanent exclusion.

For too long the United Kingdom has been united only in name. From today ours is a country where everyone has a contribution to make. The second principle of the new welfare state is to ensure that work always pays.

In May I established, under the chairmanship of Martin Taylor, a review to consider how we can streamline and modernise the tax and benefit system to help employment opportunity and work incentives and assist in strengthening family life.

We will introduce a 10p rate of income tax as soon as it is prudent to do so. A 10p tax rate — combined with a cut in benefit tapers — will reduce in-work poverty. So too will the minimum wage which the Government will introduce after advice from the new low-pay commission.

Set at a sensible level, the minimum wage will not only establish a floor under wages but ensure in-work benefits act as a genuine top-up for low-paid workers rather than a subsidy for low-paying employers.

So I have also asked Martin Taylor to consider at an early stage the advantages of introducing a new in-work tax credit for low-paid workers. It would draw upon the successful experience of the American earned income tax credit, which helps reduce in work poverty and now helps 19 million lower paid workers.

Conclusions that emerge from this tax benefit review will inform the judgments in my next Budget, which I have decided will be in spring 1998.

TRAINING

The third component of the new welfare state is the establishment of a skills ladder — so that every employee is encouraged to learn skills throughout their working lives.

It is our intention to introduce individual learning accounts. And, to increase the staying on rates at schools and colleges, we will complete our review of educational finance and maintenance for 16 to 18-year-olds to ensure resources are used to support those most in need.

Just as the Open University has, since the 1960s, offered thousands second chances in higher education through television, in their homes, our new University for Industry can, from the 1990s, through satellite cable and interactive technologies bring lifelong learning direct to homes as well as workplaces.

I have allocated from the Welfare-to-Work budget £5 million to start up the Public-Private Partnership that will fund the University for Industry.

By these measures which will create work, make sure that work always pays, and provide recurring opportunities for lifelong learning, the new welfare state will help equip Britain for the new world.

TAXATION

A country equipped for the future should also have a modern tax system based on principle. The tax system sends critical signals about the economic activities a society wishes to promote and deter. Today I start to put these principles into practice by demonstrating our commitment to the environment.

As the statement of environmental principles set out by the Financial Secretary today shows, we are determined that our tax system and economic policies as a whole encourage the good and discourage the harmful.

The extraction of aggregates — including stone, sand and gravel — involve significant environmental costs and damage to the landscape, which may go beyond that recognised in the scope and level of the landfill tax. Too little is also being done to discourage water pollution. The environmental case for charges on polluters needs to be examined carefully. After a period of consultation, I will return with any proposals in these two areas in my next Budget.

Existing taxes, including our excise duties, must also advance the Government's environmental objectives. So to reduce pollution, lorries and buses that meet low emission standards will, from next year, attract a reduction of vehicle excise duty by a maximum of £500.

Rises in vehicle excise duty, broadly in line with inflation, will take place from November 17. And in line with the environmental objectives I have set down, road fuel duties will increase by an extra 1 per cent every year over and above the annual 5 per cent real rate of increase established by the previous Government. Petrol will go up by the equivalent of 4 pence a litre from 6pm this evening.

I have also decided to raise the annual rate of increase in tobacco duties. From December 1 this year these will be increased by an extra 2 per cent a year — this year by another 5p — above the annual 3 per cent real rate of increase established by the previous Government.

In the normal course of events the price of a packet of 20 cigarettes would have risen by just over 14p. Under my proposals the price of a packet will rise on 1 November by 19p.

Alcohol and tobacco duties demand careful consideration this year, not least because of the impact of fraud, smuggling and cross-border shopping. I have therefore decided to review all alcohol and tobacco duties and while this review is under way, inflation-only rises for alcohol will take effect from January.

TAX AVOIDANCE

The tax burden avoided by the few falls on the many. In eight weeks of this Government we have already identified a series of significant tax abuses. I am introducing measures with immediate effect to end tax abuses through avoidance of corporation tax, VAT and PAYE. Changes to insurance premium tax to block an abuse relating to long-term health insurance will take effect from October 1. I am also proposing to modernise the rules governing transfer pricing and controlled foreign companies. In total these initial measures will bring in a cumulative total of £1.7 billion over four years.

A Government committed to the proper funding of public services will not tolerate the avoidance of taxation and will be relentless in its war against tax avoidance.

I have also instructed the Inland Revenue to carry out a wide-ranging review of areas of tax avoidance, with a view to further legislation in future finance bills. I have specifically asked them to consider a general anti-avoidance rule.

The principle of fairness in taxation will guide all my Budget decisions. So I can today announce that at this, the first opportunity, the Government will honour its pledge to cut VAT on fuel and power. To help pay for this, we will withdraw tax relief for private medical insurance for the over-60s which costs £140 million-a-year and which has failed to achieve its original purpose of substantially increasing the take-up of private medical insurance.

I would like to abolish VAT on fuel. But European rules prevent me from doing so. Therefore, VAT will be cut to the lowest level compatible with European law, that is 5 per cent from September 1, well in advance of winter fuel bills.

In this Budget I have no changes to make to income tax either at the basic or top rate. I will not extend VAT to food, children's clothes and newspapers and public transport fares. Nor will I during this Parliament. This is a Government that keeps its promises on tax.

But to cut fuel bills, I intend to make a further tax cut. The gas levy — imposed by the last Government — has pushed prices for domestic consumers higher than they would otherwise be. So from next April year we are reducing the gas levy to zero. 18.5 million domestic customers will benefit from this change. Their gas bills should fall by about 2 per cent. on average.

As a result of these two changes, and other price cuts already announced, I expect gas prices to fall in real terms by 5.5 per cent this year and 11 per cent next year, which will mean a fall of £90 in next year's fuel bills compared with last year's.

Many of the least well insulated houses in Britain are occupied by older people. No pensioner should be in a position where for reasons of finance they cannot adequately insulate their homes. Today with our new programme of training and jobs for young people we are able to expand the national programme of home insulation.

> "I am determined we will never return to the instability that characterised the housing market in the 1980s"

Contractors within the home energy efficiency scheme, and voluntary organisations will be encouraged to take on young people to insulate the homes of pensioners.

Poorly insulated housing is but one of the most conscious failures of housing policies of the last 20 years. Even more serious is inadequate provision of low-cost rented accommodation throughout our country. This has led to overcrowding the costly and wasteful use of bed-and-breakfast accommodation and in some cases homelessness.

This Government has a commitment to decent housing at affordable rents because we believe that overcrowding and homelessness on a scale we have seen are intolerable in a civilised society.

Building and repairing homes will answer a pressing social need and offer opportunities for skilled and productive employment. I can therefore announce the first step in a practical and measured programme to phase the release of capital receipts. Local authorities will have borrowing consents for an additional £900 million — £200 million this year, and £700 million next year — for building new houses and repairing their existing stock.

For most people the acquisition of a house is the biggest single investment they will make. Homeowners rightly expect their investment to be protected by sensible policies pursued by Government.

I am determined that as a country we never return to the instability, speculation, and negative equity that characterised the housing market in the 1980s and 1990s. Volatility is damaging both to the housing market and to the economy as a whole. So stability will be central to our policy to help homeowners. And we must be prepared to take the action necessary to secure it.

I will not allow house prices to get out of control and put at risk the sustainability of the recovery. I have therefore decided it is right to take two measures aimed at stability in the housing market.

First I will raise stamp duty from 1 per cent to 1.5 per cent on property sales above £250,000 and to 2 per cent for property sales above £500,000. This will take immediate effect after the Budget resolution has been voted by the House.

Second, continuing the reforms begun by the previous Government which removed mortgage tax relief at the higher rate of 40 per cent in 1991, and cut it to 15 per cent by 1995, I propose to reduce mortgage tax relief by a further 5 per cent from 15 per cent to 10 per cent from April 1998.

The timing of my measure should help to avoid a return to the conditions of the 1980s where the failure to take early action guaranteed worse problems later on. I believe these measures will help to ensure a more balanced recovery.

WINDFALL TAX

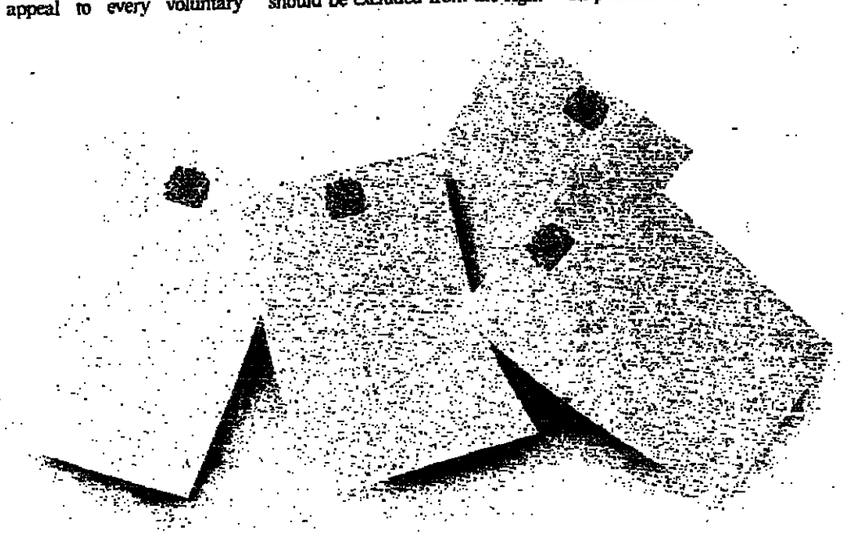
Our reform of the welfare state — and the programme to move the unemployed from welfare to work — is funded by a new and one-off windfall tax on the excess profits of the privatised utilities. The tax will apply to companies privatised by flotation, and subject to economic regulation under specified acts of Parliament.

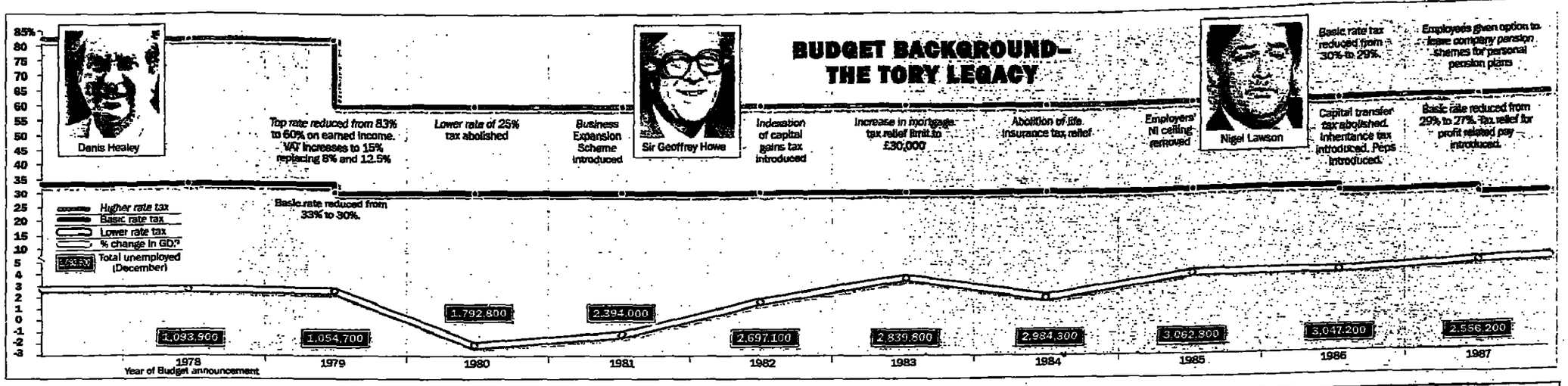
In determining the details of the tax, I believe I have struck a fair balance between recognising the position of the utilities today and their under-valuation and under-regulation at the time of privatisation. The windfall tax will be related to the excessively high profits made under the initial regime. A company's tax bill will be based on the difference between the value that was placed on it at privatisation, and a more realistic market valuation based on its after-tax profits for up to the first four full accounting years following privatisation.

In preparing the windfall tax we looked more broadly at the position

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'We are honouring our pledges'

From page 17

of the affected companies. I am satisfied that no company faces an unduly heavy tax burden. The windfall tax will raise some £2.1 billion from the electricity sector, around £1.65 billion from the water sector, and some £1.45 billion from the remaining companies. After taking the reduction in the gas levy into account, which will cost the Government £400 million over the next three years, the net effect of the gas levy and the windfall tax together will raise £4.8 billion.

After consulting the regulators, it is my judgment that the tax can be paid without any impact on prices, investment, or the quality of service to customers: or, in my view, on employment. It will be a one-off tax payable in two instalments. The first instalment will be paid on December 1, 1997, the second a year later.

BORROWING

Based on the fiscal tightening I have announced today, I can now give full details of our five-year deficit reduction plan. The plan is aimed at reducing the structural budget deficit. It is made possible by a long-term commitment to financial discipline. It takes into account the uncertainties and risks involved in forecasting the economic cycle. It is underpinned by a comprehensive review of the way Government spends its money; and it matches rigour today with a long-term commitment to prudent public finances.

In January this year I announced we would adhere for two years to the agreed control totals for public spending. That commitment is reaffirmed today and integral to the Budget statement.

I announced there would be no spending round this year. Nor will there be. Departments are working within already announced departmental spending totals to reorder spending from low priority to high priority areas. I am pleased to report that they are not only identifying waste and inefficiencies in existing spending but redistributing savings to the long-term priorities of this Government, not the last.

The figures I now give for my deficit reduction plan exclude windfall tax revenues. Borrowing was projected in the last Budget to be £19.25 billion this year but is now set to be £13.25 billion. And borrowing that was projected to be £12.25 billion next year is now set to be £5.5 billion.

Beyond these years, I am publishing a range of projections based on different assumptions for spending. In every case we meet the golden rule, see debt falling as a proportion of GDP and, because of our discipline, we go below the borrowing projections of the previous Government. And for this year and for the foreseeable future we are comfortably within the Maastricht criteria for levels of both debt and borrowing.

NHS

The Comprehensive Spending Review will determine overall priorities for the early decades of the new century.

In the case of the National Health Service, the first stage of our cuts in bureaucracy are being implemented this year. By next spring the first conclusions from the strategic review of London hospitals will be implemented; we will act to improve the organisation of services including, to merge NHS trusts. By dismantling the internal market we will no longer have to spend money promoting competition and servicing innumerable short-term contracts and the administration that goes with them, at the expense of patient care.

> "Our economic success tomorrow will depend on investing in our schools today"

And because we have reinvigorated the Private Finance Initiative, we will shortly announce a new hospital building programme across the country. We will also act to recoup in full the cost of treating road traffic accidents from insurance companies. In normal circumstances, the £5 billion reserve for 1998-99 — set aside by the previous Government — would be distributed during the annual autumn spending round, with the allocations announced at the time of the November Budget.

There is no spending round this autumn and, as a result, there will now be no Budget until next spring. The majority of the reserve will be retained for contingencies that may arise in the coming year.

But now that the long-term changes are underway, I want the NHS to be able to plan also for the year ahead. And I want them to do so in the sure knowledge of a prudent and realistic allocation for 1998-99 which will ensure that patient care is secure.

The long-term plans mean that we are now sure the money will go where it is needed — direct to patient care. I have decided to allocate from the reserve to the NHS for 1998-99 a sum of £1.2 billion. This does more than meet our commitment at the election for a real-term increase in resources. Health spending will now rise by 5 per cent — 2.25 per cent in real terms — the same as our projection for the rate of the economy as a whole.

EDUCATION

Education is our country's priority. It holds the key to our future. But the Government must be satisfied that resources in education are going direct to learning in the classroom. The Secretary of State for Education will bring forward proposals so that every school can meet standards for results and discipline.

Our long-term review of spending on education, schools and local education authorities must meet targets for raising standards in schools. And they must demonstrate that money is being spent improving the quality of pupils' education.

For next year, while we review the future arrangements for local authority finance, capping will remain in place. But I propose to allocate from the reserve for 1998-99 and specifically for use in schools an additional £1 billion to education.

Traditionally these announcements — of tax revenues and spending allocations — would complete a Budget. But I have one more announcement to make.

The windfall tax I have announced will finance the measures I have announced for employment and training. But there is nothing more important to the training of young people than what happens in our schools.

Indeed many of the problems our Welfare-to-Work programme must now address start in school. We cannot run a first-rate economy on the basis of second-rate education.

In general economic success tomorrow will depend on investing in our schools today. But at the present rate of progress many of our children will be educated for the 21st century in classrooms built in the 19th.

Today one million pupils are being educated in classrooms built before the First World War. If our schools are to educate for the needs of the 21st century economy they must themselves become schools fit to learn in and equipped for the 21st century.

And by encouraging schools to engage in Public/Private Partnerships, the public investment we make can lever in even more resources to renovate our schools.

I want schools not just to repair the roofs and the fabric but to acquire the equipment and computers they need. So I have decided to allocate cash from the proceeds of the windfall tax for an immediate programme of capital investment to equip our schools with the infrastructure, the technology, and the bright, modern classrooms they need.

The Paymaster General and the Secretary of State for Education and Employment will invite schools to submit plans, showing how they propose to upgrade, modernise and become schools fit for the 21st century. The detail of the plans will be announced by the Secretary of State for Education in due course.

I therefore propose to make available £1.3 billion over the course of the Parliament, representing a capital investment that averages almost £150 for every pupil in the country.

Taken together with the extra year-to-year expenditure I have just announced, this Budget allocates £2.3 billion in new resources for our schools. With this increase in educational investment we are taking the first step towards delivering our manifesto commitment to increase the proportion of national income spent on education.

In education, as in every other area, we are honouring our pledges to the British people.

The measures I have announced today for stability, investment, employment and opportunity for all will make Britain better equipped and more ready to face the future with confidence.

Previous Budgets pursued the short-term interests of the few. This Budget advances the long-term interests of the many. A Budget equipping Britain for the future — meeting the peoples' priorities.

A people's Budget for Britain's future. I commend it to the House and to the country.



Hague condemns 'smash and grab' raid on pensions

By Andrew Pierce
Political Correspondent

LEADER OF THE OPPOSITION

WILLIAM HAGUE accused the Government of a bitter betrayal of trust by raising taxes 17 times in the Budget only eight weeks after winning the election on a platform of no increases.

Pensioners, home owners, low-income families and people with savings would be forced to pay the price of Labour's broken promises, the Leader of the Opposition said in his response to the Budget speech.

The windfall tax, the centrepiece of the Budget, was a cynical device which was a savings tax by any other name. The Chancellor had mounted a "smash-and-grab" raid on pensions fund that would have a profound effect on the income of those over 65 for years to come.

Mr Hague said that the Chancellor had hidden behind the skirts of complex tax increases and he gave warning that the reduction of VAT on fuel might have to be paid for by smaller rises in the state pension.

"Anyone with a pension, anyone with an insurance policy, anyone who has to pay a telephone bill, anyone who is working hard to build up a nest egg for the future, will be hit by the windfall tax," he said.

Mr Hague cheered Tories with a combative speech in which he repeatedly accused Mr Blair of betrayal. "One thing is very clear about the Budget. When the Prime Minister said before the election he had no plans to increase taxation, he didn't mean a word of it — because this is a tax-raising Budget."

The changes to MIRAS and Advance Corporation Tax were rises "which Labour denied they would introduce before the election".

The Labour Party had never shown any sympathy for home ownership and the changes to MIRAS and stamp duty demonstrated clearly that they were not "going to start being in sympathy with it today".

While only wealthy homeowners would pay more in stamp duty the rest of the country would have to pay a high price for the 17 tax increases. "This is a Budget in which the Government has broken a central election promise and tried to comfort its supporters by saying there will be a £1.2 billion increase in health service spending." But it was a smokescreen. Last year the Tory Government had increased spending by £1.6 billion without a windfall tax.

> "When he said he had no plans to increase taxation, he didn't mean a word of it"

The abolition of tax relief on health insurance for people aged over 60 would affect 600,000 pensioners. "It is an utterly vindictive way in which to raise extra money for the Treasury," he said. It would lead to up to 200,000 people cancelling private health insurance policies, which would lengthen NHS hospital waiting lists.

He said that the Chancellor had deliberately chosen Advance Corporation Tax to raise the bulk of the extra revenue because it was so complex he hoped that ordinary voters would not understand it or notice it.

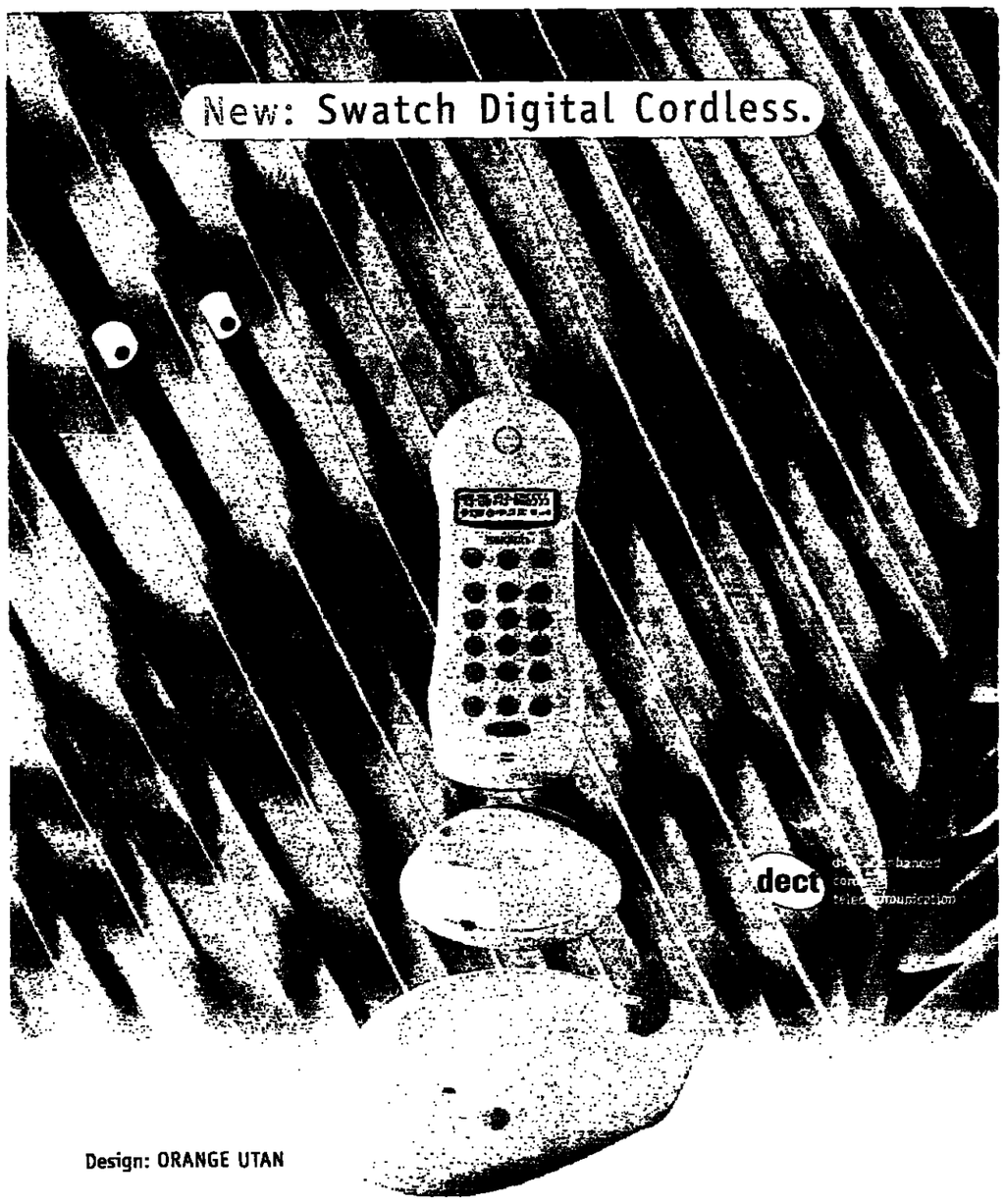
"It is a tax strategy that halves the blame for him but doubles the pain for everyone else. This tax mean pensions funds will be able to claim less tax back so their revenue will be lower, their growth will be lower and pensions will be smaller.

"The bills for the decisions taken today will be paid by millions of hard-working people many years down the line. It is a smash-and-grab raid on pension funds in this country and it is a cynical betrayal of the millions who have built up pensions and now see them devalued."

There was one effect everyone would understand. "Pensioners will be worse off."

The Chancellor was "looking for a free lunch from the windfall tax" by portraying "fat cats and stripe-shirted speculators" as the losers. But as Professor John Kay had written there was no such thing as a tax on firms. The burden always fell on individuals. Mr Blair ought to know — Professor Kay was one of his advisers, Mr Hague said to loud laughter.

He said that the Budget was full of missed opportunities which had done nothing for families that wanted to save, invest and keep most of their earnings. "In future years the country will want to know what the Government has done with the best economic inheritance in decades and they had better be ready to be held to account."



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All the different shades of Brown

Alan Hamilton profiles the man whose attitudes are coloured by deep-rooted strengths and beliefs



Brown's schooldays: a son of the manse, but his father was more interested in compassion than dogma

DURING the early stages of the English Civil War, the Scots despatched 20,000 men to aid Cromwell's army on the promise that the Parliamentarians would impose upon the English Scotland's own brand of puritanism, the Presbyterian religion.

Some hope. The deal dissolved but the Scots, being Scots, wrested some advantage from their punctured ambition. When Charles I surrendered to a Scots army at Newark in 1645, they charged the English £200,000 to hand him over.

The grudging English stumped up, muttering that the Scots had "sold their king for a groat". Now we have another Presbyterian with his hands around the throat of English money.

But is Gordon Brown, the Fairfax to Tony Blair's Cromwell in the New Model Labour, really the puritan he has sometimes been portrayed? Or is he, like his forebears at Newark, a canny Scottish pragmatist who would not mistake a balance sheet for a Bible?

Brown is a son of the manse. His father was a Church of Scotland minister in Kirkcaldy, a deeply unglamorous Fife town best known to the world for the manufacture of linoleum, and as the birthplace of Adam Smith, who codified the free market economy 200 years before Thatcher.

But there is little puritanism in the Kirk these days. Calvinist hellfire and brimstone has long since fled to fringe sects. Dr John Brown, now living in retirement in Aberdeenshire, is remembered as a man more interested in compassion than theological dogma, born of his early experience as a pastor among the slums and poverty of Govan in inner Glasgow.

He appears to have instilled in the young Gordon a deep sense of social justice and a belief that there really is such a thing as society.

That in itself is a particularly Scottish attitude. The poorer partner of the union has always by tradition been more collectivist than its English neighbour, and the culture of old Labour dies harder north of the border. Brown is a cerebral politician with an excellent mind honed on the hard steel of a Scottish education, but he is still very much a product of his own roots.



"When he won his first bid for power, the balance was tipped by the Duke of Edinburgh"

A fast-tracker at Kirkcaldy High School, Brown entered Edinburgh University at the positively 18th-century age of 16, and by 20 had gained an outstanding first in history. Edinburgh was his political launch-pad: in his kipper tie, flares and shoulder-length hair, he was the archetypal student activist — except that, unlike his fellow campus crusaders, he declined to grow a beard, remaining resolutely clean-shaven. And, unlike most of the rest, he made a serious and successful bid for power.

Most previous holders had been old buffers, high-profile actors, comedians or other absentee figureheads, who rarely bothered to show their faces. Brown stood for the post. He won hands down. The granite-faced mafia of senior academics, high court judges and other powerful worthies who ran the university, and just about everything else in Edinburgh, were so horrified at being chaired by a 21-year-old leftie that the matter ended up in the High Court.

Brown won again.

The balance is said to have been tipped in his favour by the university's chancellor, the Duke of Edinburgh.

When discreetly lobbied, the Duke took the view that Brown was entirely within the rules.

The experience of confronting such an influential and oligarchic elite probably did as much to stiffen Brown's sense of social justice as anything he had learned at his father's knee.

But it also taught him the dark and useful arts of power-broking.

Then, as now, Brown could appear an ascetic, earnest character; fellow-students christened him "Boredom Beaver Broon" for his dedication to detailed facts and arcane statistics. His obsession did not entirely rule out the more fleshly delights of undergraduate life, but it certainly coloured them.

For five years, Brown shared his student flat, and at least a corner of his life, with fellow undergraduate Princess Margarita, sparkling eldest daughter of the exiled King Michael of Romania. She said after their parting: "It was a very solid and romantic story.

"I never stopped loving him, but one day it didn't seem right any more. It was politics, politics, politics, and I needed nurturing."

Since then, Brown seems to have spent many of the intervening years in puritanical self-denial, retiring to Dunfermline East at weekends to live alone in a substantial house within sight of one of his major constituency headaches, Rosyth dockyard.

But in recent days, there is news that the flinty Presbyterian heart may be susceptible to charm after all.

Brown is said to be intent on marriage to Sarah Macaulay, a 32-year-old public relations executive whom he met three years ago at a Labour fundraising event, and with whom he has been photographed by the Sunday tabloids at fashionable London dining dens.

After 14 years in Parliament, the Rt Hon James Gordon Brown, former lecturer and TV current affairs journalist, has a new working address at 11 Downing Street, although the accommodation is used by the family of his friend Tony Blair, who found No 10's rooms too small.

Puritan or not, Gordon Brown is undeniably from the very middle class that he, like many Labour chancellors before him, has punished in Budgets. Far from denying his class, he made so much of it last year that he earned a metaphorical smacked bottom from his mother.

In an effort to curry favour, Brown told a gathering of businessmen that he himself came from a business background and knew all about running a company, as his mother and father had been directors of the family timber business run by his uncles. Mrs Brown, a spirited lady of 80, told *The Times* that she and her husband had merely been directors on paper, and had never had anything serious to do with buying and selling wood.

So for the Chancellor to



"I did not stop loving him, she said, but it was all politics. I needed nurturing"

tax business is no sign of puritanism, for there is no element of self-denial, but for him to hammer the middle classes is a different matter.

He is, of course, a non-smoking non-driver. Scottish canniness may have won the day.

A tale of woe stretching from Dalton to Healey

Robin Young on the series of catastrophes faced by Labour Chancellors

GORDON BROWN'S Budget was the first presented by a Labour Chancellor for 18 years, and the last before that was really a non-event. On April 3, 1979, with the Labour Government having lost its majority and a general election already announced for May 3, Denis Healey presented a Finance Bill which made minimal changes to the tax structure in lieu of a proper Budget.

The Conservatives under Margaret Thatcher won the election and it was Sir Geoffrey Howe who, on May 12, reduced income tax by 3p in the pound, cut public spending by £4 billion and increased VAT to 15 per cent.

For Labour Chancellors, life has been a series of catastrophes and crises, though Lord Healey insists now that the only thing which makes being a Labour Chancellor more difficult than being a Tory one is the problem of getting spending cuts accepted by the party.

The strain can tell, he admits. It was Healey who, en route to Heathrow, had to cancel a flight to Hong Kong in November 1976 because of the plummeting pound (it fell to US$1.637). He was obliged to borrow £2.399 billion from the International Monetary Fund and to introduce the heaviest programme of spending cuts that Britain had ever known. The only alternative, he claimed, was "economic policies so savage that they would lead to rioting in the streets".

He believes that he never worked harder than in the six years that he was Chancellor. "I reckon I regularly worked 16 hours a day, and I got an attack of shingles, a sign of stress, during the preparation of one Budget."

His wife Edna recalls: "I regularly laid a place at the table for the red box, because Denis always worked right through mealtimes."

James Callaghan, Harold Wilson's first Chancellor, and the only Labour Chancellor ever to succeed in becoming Prime Minister, agrees that the former position is the "the most nerve-wracking job I ever had".



Hugh Dalton, above, had to resign in 1947 while Sir Stafford Cripps retired a broken man in 1950



Roy Jenkins, Labour's most successful postwar Chancellor (he bequeathed Anthony Barber a record revenue surplus of £2.444 million in 1970), subsequently left the party to found and lead the Social Democratic Party and now sits in the Lords as a Liberal Democrat.

He recently compared presenting a Budget to "skydiving without a parachute", and said that at best the Chancellor's work is "like building sandcastles within the tideline, erecting edifices which will be washed away by the high tide of one's immediate successor".

For Labour Chancellors the dreaded words in the political vocabulary include: "wage inflation", "spending cuts", "import controls", "sterling crisis", and, worst of all, "devaluation".

Three of Labour's six postwar Chancellors were forced into devaluations. James Callaghan, obliged to devalue the pound from $2.80 to $2.40 in November 1967, insisted at the time that it was a "well-thought out and orderly step" ("I do not know why you repeat the question. Don't you believe me?"), but says now: "I was very low. I felt that I had been devalued as much as sterling." Eleven days after the devaluation he exchanged jobs with Roy Jenkins, the Home Secretary.

Others recovered less well. Hugh Dalton, Attlee's first postwar Chancellor, having been forced into almost immediate emergency measures in the face of exchange crises, talked about impending tax increases in November 1947 to a reporter before telling Parliament, and resigned the next day in disgrace.

His successor, Sir Stafford Cripps, a leftwinger who had been expelled from the Labour Party for six years during the Second World War, was forced to devalue the pound from $4.03 to $2.80 in September 1949 depite having introduced yet more emergency measures to combat the dollar deficit.

He retired in October 1950 a broken man, to be succeeded by Hugh Gaitskell, who just had time in 1951 to introduce prescription charges on false teeth and spectacles to pay for rearmament before Labour was defeated at the polls.

Other fiscal innovations attempted by Labour Chancellors included cuts in tobacco, petrol and newsprint quantities (Dalton, June 1947), the suspension of sterling convertibility (Dalton, August 1947), a capital levy on investment income (Cripps, April 1948), a standstill on dollar purchases (Cripps, July 1948), 15 per cent import surcharge (Callaghan, October 1964), capital gains tax and corporation tax (Callaghan, April 1965), selective employment tax (Callaghan, May 1966), and selective import controls (Healey, December 1975).

The introduction of a wealth tax, heralded by Healey in his first Budget in March 1974, was abandoned to "indefinite delay" by a further announcement in December 1975, and has been little heard of since.

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A day of low drama and mixed fortunes for soap families



■ *Jack and Sarah Sugden of Emmerdale Farm* are mulling over Gordon Brown's Budget with typical *Yorkshire caution. Having just* bought a new farm, Jack is not quite sure whether he could qualify for *first-year capital allowances to buy a* new tractor. With a foster child and their own two children, the couple are happy that an extra £150 per child is to be spent on schools. With a Ford Mondeo estate and a couple *of Land Rovers, the Sugdens are not* happy about a further 4p a litre on petrol and diesel. Jack's pint at the *Woolpack will be more expensive* too. The couple have only a small mortgage, having bought out Jack's *mother from her partnership with* the proceeds of the sale of the original Emmerdale Farm, so the *reduction in Miras has little effect.*



■ *Tiffany Mitchell of EastEnders is the sort of girl that* Gordon Brown is out to help. She has been bringing up her baby girl, Courtney, alone, living with her brother Simon and *his boyfriend Tony Hills until the boiler broke down and left* them with no hot water.

That left the former beautician with no option but to go *back to the Queen Vic, where husband Grant Mitchell is* head barman. She has taken a temporary job, and could be a beneficiary eventually of the national minimum wage. On the *other hand, help with the fuel bills in Mr Brown's Britain of* the future might have helped her to maintain her independent lifestyle as a lone parent that much longer.

The Mitchells drink, which will cost them a bit more from January, but they do not smoke. On the other hand, Albert Square's pensioner Dot Cotton, recently retired from her *launderette, is going to be hard hit by the extra 19p on a* packet of cigarettes, as she smokes rather a lot.

Bianca, from 43 Albert Square, is also going to be affected because her taste for vodka and orange will become a bit more expensive when spirits go up by 19p a bottle. On the other hand, her earnings as a market trader selling ladies' fashions could mean that she is a candidate for the 10 per cent rate of income tax that Mr Brown has mooted. *It depends on* what expenses she has the temerity to claim under self-assessment for running her market stall. Her Ford Escort *will be drinking up the extra pennies, but her husband Ricky* is a mechanic, working for Phil at the Arches, so he is well-qualified to keep her car mileage figures within tolerable bounds.

Tiffany could be able to put in extra hours at her temporary job at the Vic thanks to the suspension of the 16-*hour rule for unskilled workers. That will depend, though, on* whether her former employment as a beautician disqualifies her from the category. Apparently she had no formal *qualifications so is probably safe.*

Few inhabitants of Albert Square are likely to be be affected by the Chancellor's threatened review of tax avoidance. They *have little experience of Tessas or Peps and are unlikely to* open individual savings accounts when they are given the opportunity.

Tax evasion is rife among the Square's denizens, however, and is not likely to be abated by the Chancellor's assurance that the top and basic rates of income tax are fixed for the duration of this Parliament.



■ *The Rev Geraldine Granger, the* plump, thirtyish vicar of Dibley is relieved that the Chancellor failed to in*troduce Chocolate Tax, to fund the* NHS in its treatment of diseases associated with excessive consump*tion of sugar. She is equally pleased* that there is no VAT on food, particularly on her little weaknesses in the *confectionery department. A non-*driver, she worries that the extra 4p a litre on petrol may deter some of her *further-flung parishioners from at*tendance on Sundays, and that she may have to lure them with pulpit *gimmickry, like tips on how to avoid* the new tax avoidance clampdown. Her clerical stipend is modest, but *unlikely to squeeze her into the pro*posed 10p tax band. Still, a reduction to 5 per cent of VAT on fuel will help *her to heat the rambling vicarage.*



■ Miles, Anna, Milly, Egg and Ferdy, the trendy twenty-somethings who share a rented house in BBC2's *This Life*, are rather offended that Gordon Brown's Budget statement made no apparent reference to them. His attentions were concentrated on the young unemployed. The *This Life* characters are all gainfully employed, and none is a lone parent, for whom Mr Brown announced concessions. They are mortified to have to pay an extra 19p a packet on the cigarettes that three of them smoke. The 4p on a bottle of wine will not re*duce their consumption.* Cuts in VAT on domestic fuel will reduce their bills next winter, but by then they *will have forgotten all about the Bud*get. They rarely discuss macroeconomics, having more urgent concerns, *such as their love lives and careers.*

Charity groups decry loss of tax relief

£280m blow offsets lottery cash, reports **Alexandra Frean**

CHARITIES expressed dismay last night at the scrapping of advance corporation tax (ACT), which will cost them about £280 million a year, more than the £250 million that they receive from the National Lottery.

Voluntary sector leaders expressed relief, however, that the measure will not be applied to them until 1999 and that there will then be a five-year, government-funded transition period. They also welcomed the Chancellor of the Exchequer's decision to order a full-scale review of the tax treatment of charities.

Stuart Etherington, chief executive of the National Council of Voluntary Organisations, said that the Government's decision to delay the abolition of the tax for charities was a welcome recognition of their special role in society.

"Charities' investments cannot be compared with those of the profit-oriented private sector. They are social investments with the returns being used to provide services and advocacy for some of the most vulnerable people in society," he said. He added that he was relieved that the Chancellor had delayed the abolition of the tax for charities. "At least the sector will have a little more time to adjust to this loss and to develop and test out other sources of income."

Mr Etherington felt that more help would be needed for charities if they were to work in partnership with the Government on its Welfare to Work programme.

"If the sector is to take on these new responsibilities, it will need a strong financial base from which to begin," Mr Etherington said. He expressed the hope that the Government will develop a means of protecting the sector from any unintended consequences. The existence of the tax effectively means that charities' investment income is 25 per cent higher than it would be otherwise because it enables them to claim back tax credits on the gross dividends paid by companies.

Charity managers are particularly worried about the withdrawal of tax relief, because they are having to rely increasingly on investment income for their survival. In the face of a steady drop in individual donations to charity from the public, investment income is one of the few areas in which charities have experienced financial growth.

According to the National Council of Voluntary Organisations, a fifth of general charities' income is derived from investments. The Barclays/NGO Finance Charity 100 Index, shows that investment is the only income stream to have risen in every quarter since 1992.

Reform of the tax will not just hit the big charities that have significant investments. As many small and medium-sized charities receive funds from endowed charitable trusts, such as the Wellcome Foundation, which calculates that it stands to lose £1 million a week from the scrapping of the tax, they will suffer too.

A spokeswoman from the Charities Tax Reform Group said that she was delighted that the main focus of the review of the tax treatment of charities would be the current VAT arrangements. These cost charities about £350 million a year in VAT payments that they cannot claim back. The review will also cover direct taxes and business rates.

The review will be based on consultation with the sector, and charities are invited to contribute their initial views by December 1. A consultation document will be published by April next year.

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ANDRE CAMARA



The Chancellor gave the Spice Girls and other big money earners what they really wanted in the Budget

No sleepless nights expected for inhabitants of millionaires' row

BY DAMIAN WHITWORTH

FOR the Spice Girls it was a Budget that, if they were really, really that interested, they must have really, really wanted.

In the millionaire stratosphere they inhabit, there was almost nothing to cause even a minor palpitation let alone a major stampede to leave these islands for a sunnier tax haven.

Lord Lloyd-Webber may have bought a house in the Republic of Ireland and threatened to quit a Labour Britain, but there is no need for him to become a tax exile just yet. Frank Bruno, the boxer, and Paul Daniels, the magician, who had also hinted that punitive taxes would drive them abroad, can refrain from packing their bags.

Labour said in its election manifesto that there would be no increase in income tax rates. Mr Brown kept his word. It is not known how much the Spice Girls pay in tax because the Spice Girls Ltd, the company they formed last year with Simon Fuller, their manager, has yet to file accounts at Companies House. Furthermore, Mr Fuller's office said yesterday that they could not comment on the girls' personal finances. Industry experts have estimated, however, that they have each earned £3 million in the past year.

"If it is £3 million, then they will, of course, quite simply continue to pay the top rate of income tax at 40 per cent," said Jane Douglas, a tax partner at Denton Hall, the City law firm that has several celebrity clients.

Ms Douglas pointed out that two of the main fears of the rich – that the Chancellor would abolish the national insurance ceiling for high earners and curb the tax breaks of non-domiciled individuals – had proved unfounded.

While the Spice Girls do not fall into the category of young people who will benefit from the creation of opportunities for work in the loft insulation business, Ms Douglas said that tax breaks for the film industry could offer more openings for the five pop stars, who are at present making a movie.

The only serious way in which big showbusiness bank accounts would be raided by Gordon Brown was through the doubling of stamp duty on houses costing more than £500,000, a view echoed by Phillip Beresford, who compiles *The Sunday Times* "Rich List". He said: "Whoever buys Lord Lloyd-Webber's house in Belgravia is going to be faced with fairly hefty stamp duty; but, apart from that, I can't see anything that is going to be celebrity or millionaire-unfriendly."

Ron Mowlam, chief executive of The Celebrity Group, which negotiates many of the commercial deals for showbusiness and sports stars, said that the Budget was good for his clients.

"This was the first budget by a Labour Government and it was important that we didn't start back on the road to the levels of taxation that we saw under Prime Minister Wilson when so many people were driven from these shores to be domiciled overseas and the Exchequer lost out on a lot of tax," he said from the tennis at Wimbledon where he was hatching deals yesterday.

"It was really only in the later years of the Conservative Government that many stars started to return and pay tax here." He added that he doubted if the reduction in mortgage interest relief was likely to bother the Spice Girls; all of whom are understood to be buying houses for themselves or their parents.

"I hardly think they will be bothering with mortgages. They are likely to make cash purchases."

Albania plays out tragi-comedy as Berisha's henchmen exit



Only a few days after its general election, Tom Walker finds Tirana fast becoming the setting for a Balkan farce as official results trickle in

ALBANIA yesterday descended into the chaos of a comical banana republic as President Berisha marshalled his guard, police and special police units to defend the capital, Tirana — and his Prime Minister, Bashkim Fino, ordered them to stand down.

Blue police tanks rumbled one way and green army and presidential guard tanks trundled another; the monarchists decided to join in the fun and held a demonstration that blocked the city's main Skanderbeg Square and all routes north.

The Socialists promised they would join them in the evening. Soldiers, bodyguards and police smiled and waved at one another as they set up and dismantled roadblocks, before most decided to go home of their own volition in the sticky afternoon heat. Earlier in the day it had been confirmed that Belul Cela, the Interior Minister and one of the most hated henchmen of the Berisha regime, had indeed fled the country, making the state of emergency that has existed for the past five months something of a headless chicken.

Mr Fino, however, insisted that Mr Cela was still in charge, and that Mr Berisha had overstepped his constitutional limits in taking command of Albania's motley military arid police elite.

The President, angered that his security coup seemed not to be working, called a press conference. It clarified nothing, in particular the small matter of how long he would remain President given that at least two thirds of the country had just voted against him. Speaking in his own patented elliptical English, while mysteriously lapsing into French for the benefit of American reporters — President Berisha bamboozled an audience of about 200 with replies that meant little.

It is now generally agreed that Mr Berisha will stand down once the Socialists have formed a government, although when that will be remains far from clear.

Albania's Central Election Commission admitted yesterday that it still could not give the result of Sunday's general election, telling reporters to return tomorrow. In the meantime, the President's security coterie is leaving the country before it can be swept away in a tide of vengeance.

Apart from Mr Cela, who left for Greece, Agim Shehu, the police chief, jumped on a Lufthansa flight on Monday, just as Xhait Xhaferi, the head of the presidential guard, boarded a Turkish Airlines flight to Istanbul.

Completing a rum quartet was Gjergj Lezha, the former head of the financial police and head of information for the Shik secret police, who was seen taking an Albanian Airlines flight, also to Istanbul. A stewardess with the domestic airline confirmed that another 15 of the presidential guard had left for Turkey on Sunday.

Mr Berisha had some explaining to do, but preferred to pretend the exodus was not happening. Why had he called out the troops? "You are absolutely right — there is no one in charge. I have difficulty in accepting that he [Mr Cela] can do his duties outside Albania."

Leading article, page 25



Dyachenko: emerging as a powerful figure

Yeltsin 'broke law' over job for daughter

FROM ROBIN LODGE IN MOSCOW

THE Communist chairman of the Russian State Duma, the lower house of parliament, has accused President Yeltsin of breaking the law by appointing his daughter an official adviser. The move is also being challenged in the Supreme Court.

Tatyana Dyachenko, 37, Mr Yeltsin's younger daughter, was one of her father's closest aides since she took over his successful re-election campaign last year. Closely linked with Anatoli Chubais, the First Deputy Prime Minister, she was regarded as one of the most powerful figures in the country, even before her appointment this week as an official adviser on image-making.

Gennadi Seleznyov, the Speaker of the Duma, said the appointment was illegal under the civil service law, which sets strict limits on the appointment of relatives to state agencies.

In a separate development, a lawyer from Klin, northwest of Moscow, has filed a suit to challenge the appointment, citing the civil service law and a presidential decree on civil service positions issued in January last year.

The presidential press service denied that the law had been transgressed. It said that the President was not a civil servant and that accordingly appointments to his administration were not covered by the law.

The Russian public does not take kindly to women family members being pushed to the fore and wives and daughters have usually been kept in the background.

Mikhail Gorbachev's wife, Raisa was reviled throughout the country because of her public prominence. Mrs Dyachenko risks similar vilification, in contrast to Naina Yeltsin, the President's wife, who has been careful to maintain a supportive but low-key profile.

Mrs Dyachenko said it had been a difficult decision to accept a formal post on her father's staff, but that she had gone ahead "because of the necessity of such a step".

US space chiefs hope for Martian marvels

FROM IAN BRODIE IN WASHINGTON

NASA hopes its luck will change for the better tomorrow with a promised space spectacular from America's latest mission to Mars.

If all goes as planned, the landing craft will pop open and deliver a vehicle smaller than a child's pedal car that will set off to explore the surface of the Red Planet.

By happy chance, Nasa officials could find no "window" for the landing other than July 4. Their hope is that millions of Americans, already basking in the patriotic glow of Independence Day, will turn on their television sets to enjoy the added fillip of seeing their tax dollars at work on Mars.

Nasa could do with a boost after the flak it has taken over the wisdom of sending the British-born astronaut, Michael Foale, to Russia's archaic and accident-prone Mir space station.

Brian Cooper, a young Nasa scientist, will steer the car as if he were playing a video game, but with a couple of momentous differences.

For one thing, he will have millions of back-seat drivers watching over his shoulder. For another, each turn of the wheel will take 11 minutes to reach the car 119 million miles away, followed by a wait of another 11 minutes for the car to send a signal acknowledging the instructions back to the Jet Propulsion Laboratory in Pasadena, California.

The car, a six-wheeled box known as Sojourner, is not built for speed. It will proceed at just over 1ft per minute to try to prevent it falling irretrievably into a Martian pothole or over a cliff.

On-board lasers will "feel" the terrain for dangers that have eluded Mr Cooper and, if they spot any, Sojourner will come to a prudent halt while distant humans ponder their next move. Sojourner will be Nasa's first unmanned rover on another planet.

Two Viking spacecraft landed on Mars 21 years ago, but remained stationary. The data they sent back, though remarkable, offered no proof of life on Mars.Sojourner will analyse rocks and stones strewn about in an arid plain known as Ares Vallis.

Nasa will try a new, cheaper way of landing on Mars that some consider risky. Instead of going first into orbit around the planet and then releasing the landing craft, the *Pathfinder* spacecraft carrying Sojourner will barrel straight through the upper atmosphere at 16,000mph. As it descends, a parachute will be released for deceleration and a cocoon of super-strength airbags will inflate to cushion impact. Even so, *Pathfinder* is expected to crash-land at 50mph and may bounce 100ft a couple of times before coming to rest.

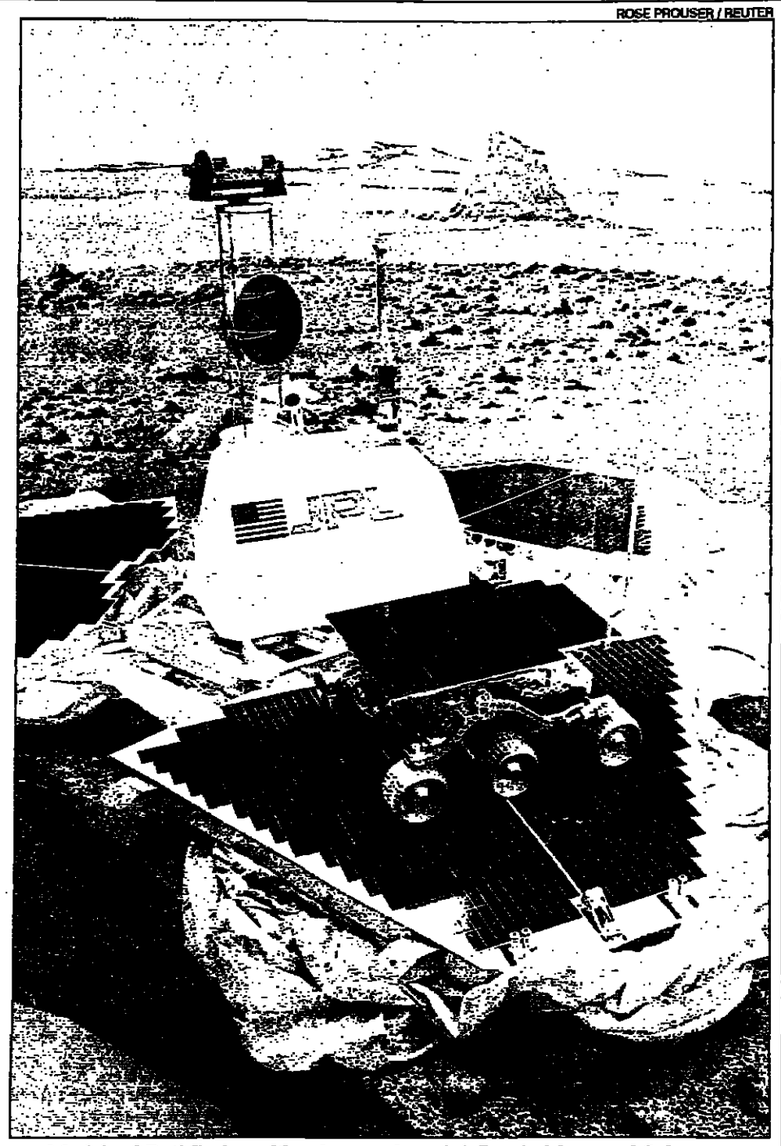
The exploration in the bitterly cold Martian climate is unlikely to last longer than a month. The cost is $270 million (£163 million) as against $1 billion for the two Vikings. This is the first in a series of Mars probes culminating in 2005. By then, Nasa hopes the spacecraft will be equipped to blast off, bringing Earth its first cargo scooped from the surface of another planet.

☐ **Martian TV:** The *Pathfinder* landing is marked by three days of special programmes on BBC2, starting tomorrow at 8.30pm with an evening of documentaries. First pictures from the planet should be seen in *Live From Mars* on Saturday from 5am to 10.30am.



An artist's view of how the probe and its "car" will have a cushioned landing on Mars

ROSE PROUSER / REUTER



Models of *Pathfinder*, with solar panels and deflated airbag, and Sojourner

Handover raises corruption fears in Hong Kong

FROM DAVID WATTS IN HONG KONG

CORRUPTION is a vital part of doing big business in China, though no businessman will ever admit that he has oiled the wheels.

With no recognised system for vetting or allocating contracts, access to the senior leadership in Beijing or at provincial level is vital. Such guidance is expensive and available only from consultancies that count former government trade officials among their number.

The prospect of corruption seeping down from the mainland has long been a concern of Hong Kong people, who have enjoyed a clean government and bureaucracy since the territory rooted out crooked policemen and businessman in the 1970s under Murray Maclehose, a former Governor.

For their part, the Chinese are worried about squeaky-clean Hong Kong business practices coming in and spoiling the party. When it was suggested recently that Hong Kong's Independent Commission on Corruption should work on the mainland, Chinese businessmen across the border complained: "We can't do business any other way."

One Japanese businessman said this week: "We know how to deal with Chinese corruption."

Corruption in the 1990s is a sophisticated business: brown envelopes are a thing of the past. Now electronic transfers shift large sums straight into Swiss or American banks. At a lower level, it can involve an air-conditioned Mercedes or a break for two in Bali.

Chen Xitong, the former Mayor of Beijing, is awaiting trial on allegations that he skimmed off millions of dollars in corrupt deals.

A former American trade official, now a consultant, has described how the system works. A request for an interview is despatched by a tycoon to the (male) secretary of a senior leader, outlining a development proposal. Two weeks later a crude map will be sent back, outlining a notional site for the scheme. It will be accompanied by a request for hundreds of thousands of dollars for "planning permission" for the site.

No permission is in fact required. All that is needed is a nod from the senior leader and orders are sent to the province concerned. The cash goes straight into the pockets of the secretary and the politician. Soon an interview between the senior leader and the tycoon is set up and the deal is as good as done.

To provide access to the politician, the consultant charges $3,000 (£1,875) a day, plus expenses, from the moment he leaves home to arrange the meetings at the highest level in Beijing.

The risks, however, are high. The penalty for those who get caught, and do not have the right connections, is a bullet in the back of the neck.

Flag flown in defiance

Hong Kong: A Union Flag hidden from the Japanese occupiers during the war was hoisted over Government House after Chris Patten, the Governor, and his family had left the building (Jonathan Mirsky writes).

This was disclosed by Jack Edwards, 79, the custodian of the flag and a former prisoner of war who had fought for better treatment for veterans here. He said that on June 30 he was asked by Kim Salkeld, one of Mr Patten's private secretaries, to bring the flag to Government House. "They wanted a flag for after Mr Patten left," Mr Edwards said. The official flag was lowered at 4pm Hong Kong time on Monday and presented to Mr Patten. Mr Edwards's old flag was run up in defiance of protocol and flew until sunset.

Volcano airlift for woman's pets

FROM TOM RHODES IN MONTSERRAT

MARY HEALY has devoted her life to the 17 cats and dogs who inhabit her home directly beneath the spewing vents of Montserrat's malevolent volcano. Despite fast-encroaching lava flows which have already killed 23 islanders on this tiny British colony, the ageing American has disregarded warnings and steadfastly refused to leave her house in Richmond Hill.

"I would never leave without my animals," she said yesterday. "They are like babies to me. Am I supposed to let them starve and die?"

Ms Healy, who describes herself as close to 70, has become something of an embarrassment for the local government, which has been forced to evacuate the entire south of the island. Finally, last night it seemed that help was at hand. The World Society for the Protection of Animals was mounting a special mission to airlift Ms Healy and her brood to safety in the north. Kennel shelters were being built to house the animals and Ms Healy was offered free accommodation at the Vue Pointe, the island's single remaining hotel.

"I am probably the only one left in the alleged unsafe zone," she said as she started to pack. "But I am still worried. Some of my animals didn't show up for breakfast this morning and I think they know something's wrong."

The animal protection group is also attempting to save hundreds of pets abandoned after the volcano erupted violently last week. A total of 32 cats and dogs have been flown to new homes in Florida, but Kathi Travers, a project director, said the organisation would remain on the island to save those that remained.

"We have been criticised because there are people wanting to leave and we are only helping animals, but that is our job," said Ms Travers. "This place is being devastated and we will be here until that job is finished."

Chances Peak continued to belch plumes of gas and molten ash yesterday. Scientists, monitoring the tremors from the Montserrat Volcano Observatory, see little hope of any respite in the near future. And the British Government was coming under intense pressure to create new housing for those made homeless by evacuation. Father Larry Finnegan, the island's Roman Catholic priest, held morning Mass in a room at the hotel to pray for the volcano to return to its slumber.

"We pray that she will go to sleep again and just hope our prayers are answered," said the Irish priest and former missionary in London's East End. By today, everyone hoped, Father Finnegan would have a new addition to his temporary parish in the form of Mary Healy.

Russian who sold secrets is jailed

FROM ROBIN LODGE IN MOSCOW

A FORMER senior Russian Defence Ministry official was sentenced yesterday to ten years in a labour camp for spying for Britain, the Itar-Tass news agency reported. His property is also to be confiscated.

Valeri Sintsov, who worked as director of foreign economic relations at a Defence Ministry weapons plant, was arrested three years ago on charges of supplying Britain with details of arms development. Investigators said he had been recruited by British military intelligence and had also accepted bribes from various unnamed foreign organisations. British officials have declined to comment on the case.

At the start of his closed trial in May, Russian television broadcast footage of Sintsov describing his espionage activities, which he said included giving information on Moscow's arms sales to Middle East countries.

Despite the end of the Cold War, the Federal Security Service, the successor to the KGB's internal security arm, says it caught 39 Russian citizens spying for foreign powers in 1995 and 1996. Among them was Platon Obukhov, a Foreign Ministry Second Secretary, whose arrest last summer led to the expulsion of nine British envoys.

Economic hardship among government employees makes them susceptible to offers from foreign powers.

Archaeologist swims river to escape lynching

BY TUNKU VARADARAJAN

AN archaeologist has survived an attack by villagers in the jungles of southern Mexico while trying to remove an ancient Mayan altar.

Details are emerging of how Peter Mathews, one of the world's leading experts on Mayan hieroglyphic writing, was stripped, hit on the nose with a rifle butt, and beaten at the hamlet of El Cayo, 80 miles southeast of Palenque, in the troubled southern state of Chiapas.

Dr Mathews, an Australian who is a professor at the University of Calgary, was attempting to move a Mayan temple altar to a nearby museum. He had permission to do so from the Mexican Government, which feared that the villagers would attempt to sell it on the thriving black market for Mayan artefacts.

The attack occurred while Dr Mathews, three Mexican archaeologists, and six local Cholo Indian labourers were hauling the altar towards a vehicle last Saturday. The group was surrounded by a band of men, brandishing guns and machetes, screaming abuse and demanding money.

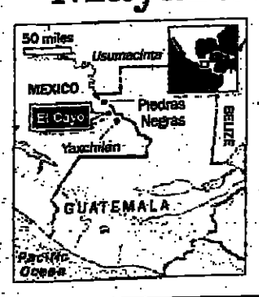
The archaeologists were ordered to remove their boots and most of their clothes, and Dr Mathews' spectacles were smashed. After they were relieved of their cash and valuables and beaten, the archaeologists managed to flee. They reportedly survived only by hurling themselves headlong into the swollen Usumacinta river nearby, and then swimming to safety to neighbouring Guatemala.

Unshod and undressed, they spent two nights in the dense rainforest, having to kill a coral snake on one occasion. Eventually, they were found by friendly Guatemalan peasants, who guided them to safety.

They had eaten nothing for two days and had drunk little water. Dr Mathews received treatment for a broken nose and lacerations to the body. Both he and his colleagues were suffering from exposure and bad wounds to the feet.

Speaking by telephone yesterday to colleagues in Calgary, Dr Mathews said: "This was not quite the result we expected when we went in there. I suppose I won't be going back to El Cayo for a while. It's far too tense to go in and do anything. We would have to have a heavily armed escort and the military won't want to provoke the situation."

Mayan altar triggered attack



THE large, round stone slab, called "Altar 4", dates from the 7th century and depicts the figure of a Mayan king. It weighs more than 1000 lbs (Glen Owen writes).

The local community of Cholo-Maya Indians are direct descendants of the altar's architects. The Maya rulers of Central America developed one of the world's great civilisations, first settling in the tropical forests of Belize in 3000 BC. At its height, the Mayan world was a dense collection of city states, each headed by their own kings.

Dr Mathews said he had reassured local people that the altar would be staying among their community in the Palenque museum. He said he believed he had been attacked by bandits from outlying areas.

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Dr Thomas Stuttaford on morphia and pain relief; the relative dangers of cigarettes, cigars and pipes; the need for thyroid screening; problems with peanuts; and beating the menopause

Gladys need not have suffered

Gladys of *Brookside* has been dying slowly but painfully of breast cancer. Gladys was being treated by a kindly GP whose general incompetence was matched only by his appalling ignorance of the pharmacological properties of the morphia he was under-prescribing.

The local doctor also seemed to be unaware that in any area there are palliative care teams available to rescue him, and his patients, from his own shortcomings. The teams are able to provide specialised knowledge of procedures available to relieve pain in patients who are being treated in their own homes.

The palliative care team is trained to work with the general practitioner, who is still left the most important part of domiciliary care.

In view of the shambles into which Gladys's care descended, it is perhaps not surprising that Mick, her son-in-law, succumbed to the temptation and humanely killed her. Mick's method of choice was smothering. This week, as the misery has deepened, *Brookside* is being broadcast nightly and with each episode the anxiety, much of it unnecessary, is heightened in all those real patients who have had cancer of the breast diagnosed.

In line with any increase in viewing figures comes a corresponding increase in the calls to palliative care units as unhappy patients, who had previously been comparatively at ease with their diagnosis, telephone to discuss their fears.

The bleeps, for instance, of Joanna, my daughter-in-law, and her colleagues who work at palliative care units at St George's, London, have never been more strident than over the past week or two.

The writers of *Brookside* have presumably entered the euthanasia debate deliberately, a debate already heightened this week by discussion at the BMA conference on the doctor's role in assisted suicide.

But they presumably didn't intend to improve their ratings at the cost of patients' peace of mind.

Earlier diagnosis through more frequent mammography might have resulted in a better outcome for Gladys, but by the time a patient has, as she has, bony, secondary deposits of cancer, this is academic.

The greatest lesson to be learnt from Gladys's case is that there are many misunderstandings about the use of morphia. Possibly, if the filmed portrayal of the doctor has any merit, not all of them are confined to patients.

Morphia given as pain relief in terminal cancer will not cause addiction but if it did it would be of no clinical significance. The psychological reaction to morphia in cancer patients cannot be equated with that experienced by drug addicts; the patients in pain do not need ever larger doses to satisfy their mental condition.

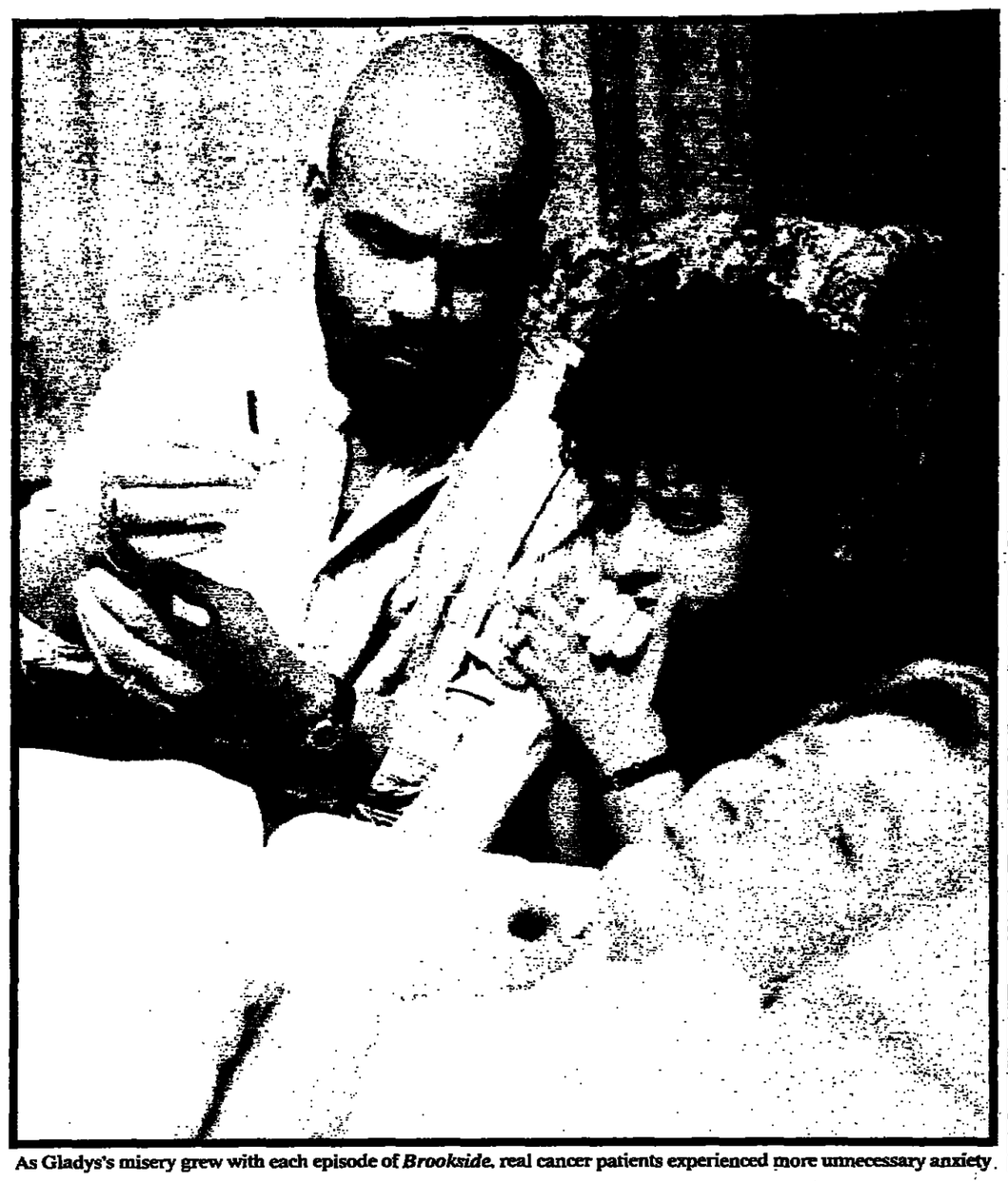
Nor does morphia necessarily cause confusion as is generally thought. When morphia or a similar drug is first taken it might induce some drowsiness but this passes off after a day or two and thereafter the patient, relieved of pain and sleeping better, may be more alert and very much less confused than they were previously.

Gladys's GP was convinced, and frequently says, that she was already receiving the maximum dose. In long-term treatment there is no arbitary dose: the correct dose is the dose needed to take away the pain. Nor will morphia, if it has been correctly prescribed, cause clinically significant respiratory depression, despite the *Brookside* doctor's repeated assertions. When using morphia, it is important to take the necessary dose regularly so that pain is not allowed to develop.

Morphia and the opioid drugs do, in many cases but by no means all, have side effects which are trying: constipation, nausea and a dry mouth. Laxatives and anti-emetics are available and should if necessary be used immediately morphia is started. Dryness of the mouth can usually be eased by frequent drinks, a choice of diet and plenty of fruit; pineapple cubes are an old remedy.

Palliative care is a far more complex subject and extends beyond merely having an understanding of morphia. Did Gladys's doctor, for instance, consider emergency radio therapy and steroids to relieve the pressure on her spinal cord, and if not, why not? Gladys was not only in pain but very miserable. What was being used to relieve her very natural anxiety and depression? Were sleeping pills prescribed for Gladys, so that she got a good night's sleep, or is her doctor as frightened of them as he is of morphia?

● *Bacup provides a cancer information counselling service for patients and health professionals on 0800 181199 Mon to Fri 9am-7pm. They also have publications available (0171-696 9003) on both breast cancer and pain relief.*



As Gladys's misery grew with each episode of *Brookside*, real cancer patients experienced more unnecessary anxiety

A happier Yeltsin

REPORTS that President Yeltsin has had a change of character since his coronary bypass and is now much more cheerful are probably true. The same account says that he had been so depressed as to be suicidal on occasions; this is not to be dismissed lightly as it fits with his medical condition.

Before President Yeltsin had his multiple bypass, it was discovered that he was suffering from severe myxoedema, an underactive thyroid, which was far more likely to undermine his health than his well-publicised drinking escapades.

Myxoedema produces marked psychological changes, including depression, as well as physical damage to the arteries of the heart. There is increasing evidence that a thyroid assessment is a useful part of any medical screening examination when carried out on middle-aged and older patients.

This assessment is particularly important for any patient who shows mental impairment by becoming slow to grasp a point, or has a marked personality change. Unfortunately, changes in personality can be easily overlooked — hence the need for a blood test.

HRT in a gel

MENOPAUSAL women can now protect themselves against its symptoms, including osteoporosis and heart disease, and they may even possibly delay the onset of Alzheimer's, by taking HRT in the form of a gel. Sandrena, which is applied to the outer thighs. The gel is rubbed onto alternate sides each night.

The advantage of using a transdermal route for hormone replacement therapy is that smaller doses may be used, and therefore any possible risks associated with additional oestrogen are reduced.

The gel is marketed in individual sachets, is easy to apply, is non-sticky and is without smell. Some women are also pleased not to have to wear an unsightly plaster patch, which may also cause irritation. Market research has shown that many women have found that transdermal gel is the most pleasant way of having HRT. The gel is taken in the same way as other HRT preparations. The oestradiol (oestrogen) is applied nightly and is supplemented by progestogen for ten days each month.

Should smokers switch to pipes and cigars?

The tax on tobacco is so frequently raised at Budget time that few smokers don't review their habit at the same time as the Chancellor reviews the economy. But regardless of the cost, would patients be better off physically, if not financially, switching from cigarettes to cigars or pipes?

In America, where the outrage engendered by cigarette smoking increases daily, cigar smoking is becoming more fashionable. Cigars are now surprisingly accepted in circles where cigarettes would be deemed antisocial. Is this change, attributed to increased publicity about cigars, justified on medical grounds?

Professor Nicholas Wald, of the Wolfson Institute of Preventative Medicine at St Bartholomew's Hospital and the Royal London Hospital medical schools, together with Ms Hilary Watt, their statistician, have attempted to answer this question.

Professor Wald recruited 21,250 men between 1975 and 1982 into a prospective study into the effect on health of different smoking habits. The people recruited were mainly professional and business people. At the start of the survey they had a full physical examination and a detailed history of their past and present smoking habits was taken.

Although they were asked if they inhaled when they smoked, their blood was examined and the level of carboxyhaemoglobin was measured. This is a test so conclusive in detecting the level of inhalation that it would even have shown whether President Clinton was telling the truth.

Arrangements were made at the start of the survey so that the cause of death of any of its participants could be obtained from the Office of Population Census and Surveys. The patients' GPs could later be contacted for greater detail.

Professor Wald's research has now been published in the *BMJ*. His studies confirm the widely held belief that smoking pipes and cigars carries fewer health risks than does smoking cigarettes.

His work also shows that the best option for a cigarette smoker is to give up tobacco entirely, although switching to a pipe or cigars does improve their chances of longevity. The risk of death is 70 per cent higher in those who switch from cigarettes to pipes and cigars than in those who gave up smoking altogether, but it was 50 per cent better than in the men who continued to smoke cigarettes and didn't opt for a safer substitute.

A higher incidence of cancer of the lung, other respiratory diseases and coronary heart disease accounted for the continuing danger to pipe and cigar smokers who had switched, but of these three conditions, cancer of the lung was the most significant.

The level of continuing risk to smokers is related to the amount they inhale and to the amount of tobacco smoked. In general, once somone has switched to a cigar or a pipe they consume less tobacco. But it seems that if smoking has been learnt using cigarettes, the smoker continues to inhale dangerously even after they have switched. The American acceptance of cigar smoking as a safer alternative to cigarettes therefore has some, but not complete, justification.



Groucho: cigar lover

When the peanut is a great danger

LAST WEEK there were press reports of another young person who had died unexpectedly from an undetected peanut allergy.

In some cases, death from peanut allergy is the result of there being no adequate indication on packaged food that peanuts have been used in their manufacture, but in many cases the allergy strikes without warning.

A recent report in the *Journal of Clinical and Experimental Allergy* studies the cases of 600 patients who are known to suffer peanut allergy. Only one in five of these patients was aware that they had become sensitised to peanuts before they suffered their first serious reaction. In the other four out of five cases, sensitisation occurred without the patient or their family being aware of any minor symptoms which might have been an early warning. This phenomenon is known as occult sensitisation.

Once sensitised, 13 per cent of the 600 had at some time to be admitted to hospital because of the acute allergic reaction. Hospitalisation might have been prevented if adrenaline had been given immediately, but although 60 per cent of the patients carried adrenaline for injection and immediate use, in almost half the cases the necessary injection was not administered when they collapsed. Peanut allergy can be so sudden and catastrophic that the adrenaline injection should be given subcutaneously and therefore easily by anyone who is at hand.

THE SUNDAY TIMES
A THIN EXCUSE



Eating disorder sufferers are not victims, they're just too selfish to stop starving themselves. Read Style this weekend for the surprising views of a recovered anorexic

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The haircut that changed my life

CHRIS HARRIS



Jennifer Aniston's father didn't work much when she was a kid: "We were pretty broke. It was tough for everyone."

She had to lose 30lb and alter her image, but now Jennifer Aniston just can't stop earning. Interview by **Jason Cowley**

Jennifer Aniston strides into the suite of her central London hotel, just visible behind the protective shield of her entourage. She pulls up a chair, pours herself a glass of sparkling water and is handed a cigarette which she never lights, preferring to roll it between her fingers like a draughtsman's pencil. Her entourage — Warner Bros executives, Channel 4 publicists, her minder-manager Molly Madden — position themselves strategically around the room, monitoring her movements with fawning diligence. They chuckle as she makes a joke and nod gravely when she is serious. They have the spontaneity of canned laughter.

Aniston has just returned from a cycling holiday in the south of France and is deeply tanned. Her perfect American teeth sparkle brilliantly. Her trademark haircut, the "shag or just-got-out-of-bed-look" as she calls it, is shorter. The Haircut in haircut shock! She is wearing a tight white T-shirt and ripped designer jeans, and looks younger than her 28 years; she could pass for an affluent student, preparing for a summer in London, rather than the global icon she is rapidly becoming. She seems bewildered, but also delighted, by her good fortune.

Since landing, in 1994, the role of Rachel in *Friends* — the smart, sophisticated comedy set principally in two Manhattan apartments and a coffee house, Central Perk, where Rachel works — Aniston has ridden a magic carpet of renown. Though one of an ensemble cast of six, each claiming equal billing, she is the undoubted face of a show that earns Warner Bros $500 million in annual syndication rights and has a worldwide audience approaching 100 million. She has the hair and the burgeoning fan club — she recently pipped, in a survey, Liz Hurley and Nicole from the Renault Clio advertisements as the woman most British men would like to marry.

In three years, Aniston has gone from being a little-known actress — whose film debut was a slasher flick, *Leprechaun*, in which she was pursued by an axe-carrying midget — to demanding (and receiving) fees of $2 million for her latest movie, *Perfect Picture*, and the $60,000 per episode pay rise that she and the rest of the cast of *Friends* recently negotiated. "It's a bizarre thing, but the rich really do just keep getting richer," she smiles.

Her earnings are swelled by her apparent inability to stop endorsing products, from Microsoft software to L'Oréal shampoo. That she continues to promote shampoo baffles: she claims to be "fed up with all the hair stuff". "I went to the same guy for years and he just cut my hair blunt. But then this one here made me go get a new haircut," she says, gesturing towards Molly the Minder. "I went to this new guy and I was, like, in shock because he used a razor blade and cut it in the most bizarre style. There was nothing planned about it."

Molly intervenes: "When you started the show with your old hair it was, like, she's so pretty and cute but you can't see her face. So we suggested she see this guy, Chris Mcmillan, who cut it around her personality. Do you agree he did that?" "Oh yeah, Molly, I definitely do," she says, dutifully.

Aniston, unlike Rachel Green, the indolent, pampered princess she plays in *Friends*, had a rough and relatively impoverished childhood. Though born in Sherman Oaks, California, she grew up in New York City, where her Greek-American father, John Aniston, worked as a jobbing actor in minor television soaps. Her parents separated when she was young. Her memories of childhood are of "constantly being shunted" between her mother's Manhattan apartment and her father's place in New Jersey. "My father didn't really work much when I was a kid.

> 'It's strange to be watched, talked about and have people making up stories about you'

During my younger years we were pretty broke. It was tough for everyone."

John Aniston was a difficult man. "I remember once he said: 'Leave the table, you've got nothing to say.' I was doing what young people do: listening and learning. I guess that's the kind of man he is: demandingly blunt."

He did nothing to encourage her ambitions after she enrolled as an adolescent at the High School of the Performing Arts in New York — the school that was the model for the egregious television show *Fame*. "He really didn't want me to be an actress," Aniston says. "He told me I'd never make any money, I'd starve and it would be awful. But that negative input made me want to succeed even more."

After drama school, she took several small roles in off-Broadway plays while supporting herself as a waitress. When she turned 20, she moved to Los Angeles. She auditioned endlessly and won small, forgettable television roles, in *Ferris Bueller*, *The Edge* and *Muddle Through* — all failures. Then it dawned on her what was holding her back: she was the wrong shape. She had what she describes as a typical Greek figure: "Big breasts and big butt." She says: "The disgusting thing of Hollywood is that I wasn't getting jobs because I was too heavy."

This disturbed her because she had never thought of herself as overweight. "Now I have to watch what I eat, I work out, but I'm not crazy about the whole thing. Really, it's just a drag, something most women suffer from. The lucky ones are those with fast metabolisms. The rest of us have to work a bit harder."

After eventually losing 30lbs, she was invited to audition for the pilot of a new show, *Friends*. The executive producer originally wanted her to play Monica, the freelance chef with whom Rachel shares an apartment, but Aniston was attracted to Rachel, because "she was quirkier and I connected to that".

She knew from the beginning that the show was something different; that the scripts were sharp and stylish and true. "I think *Friends* captures that lost period in your twenties when you don't know where you're going, or what you're doing or who you are."

In recent months, the cast have been buffeted by abuse, prompted, in part, by stories that they threatened to strike over pay. There have been rumours of petty rivalries, strained relations and discord on set. Aniston's supposedly rivalrous relationship with Courteney Cox (who plays Monica and whose latest film, *The Scream*, was one of the hits of the summer) is the subject of malign gossip. She was even accused of treating her long-time partner, actor Tate Donovan, "more like a poodle than a boyfriend".

"You know, the worst thing about all this is that my anonymity doesn't exist anymore," Aniston says, declining to talk about specifics. "It's a strange thing to be watched, talked about and have people making up stories about you. Some of what is written is really hurtful. The good thing is that as a cast we are very close and protective of each other. We've had each other to hold on to during this scary explosion."

That the pay dispute became public angers her, although she denies that the cast threatened to strike. "Look, the show was a big hit and we were at the point in our contract where it was right to renegotiate."

Molly chips in: "People turned against the kids. Their motivation came from a pure place."

A pure place? "Yeah," says Aniston on cue. "It came from a good place and it just became, like, this ugly thing. We felt beaten up. People say that's what happens: you become a big celebrity, climb your way up and then they rip you down."

The conversation meanders on for a few more minutes, with Aniston talking about the successful movie career she hopes to forge, before the woman from Warners interrupts: "Time's up." Aniston rises, smiles professionally and is led across the room, a small, dazzlingly pretty figure lost in the corporate entertainment machine that is closing around her.

● *The new series of* Friends *starts on Channel 4 on Friday at 9pm.*

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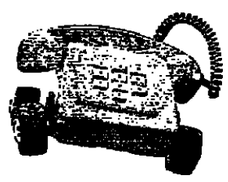
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A Budget for all seasons

Peter Riddell on the growing dominance of the Chancellor

Gordon Brown is a very lucky man. He inherited a very strong economy and that has given him the chance to be both a fiscally responsible and a generous Chancellor. It is too good to be true, as all Budgets are. Many people will have to pay for his proposals. But Mr Brown used his opportunity skilfully. He gave the Government's programme a needed sense of direction, delighted Labour MPs and in the process underlined his dominance of policymaking.

All new Chancellors like to set their long-term goals in their first Budgets. Mr Brown was like his predecessors in highlighting those elusive goals of macro-economic stability and improved long-term performance of the economy. And so say all of us.

But Mr Brown is not content just to be minister of finance, managing the economy. Edmund Dell, a former Treasury minister, noted in his masterly *The Chancellors*: "Labour Chancellors exhibit one strong professional deformation — they feel they must show their colleagues that they have wide horizons." Being Iron Chancellor is not enough, you have to show you care as well.

> **He is not content just to be managing the economy**

Mr Brown made clear in his Opposition years that he sees the Treasury at the centre of the Government's whole strategy — directing welfare reform, broadening employment opportunities and encouraging greater investment by industry. Throughout yesterday's speech he referred to details that would be announced by other Cabinet ministers over the next few days as if they were subordinates filling in details of his master-plan. In this respect, Mr Brown is like both Lloyd George, whom he publicly admires, and Nigel Lawson, whom he does not. They were the driving forces of their administrations' wider programmes.

The strength of the economy has been a double-edged inheritance for Mr Brown. Far from the Tories leaving a black hole in public finances, the Treasury has much higher tax receipts than expected in Kenneth Clarke's last Budget seven months ago because the economy has been growing so rapidly. Even leaving aside the more cautious assumptions made by Mr Brown — and endorsed a fortnight ago by the National Audit Office — the buoyancy of tax receipts will produce an extra £3.3 billion this year, and £6.7 billion next year. That accounts for more than half the reduction in public borrowing and fiscal tightening that Mr Brown proudly claimed yesterday. And, of course, the Bank of England may exercise its new freedom to put up interest rates if it is still worried by the pace of expansion.

The tax package has been carefully judged not to cause too much obvious pain, though many will pay. The main losers are housebuyers (though less than expected), future pensioners (as a result of the change in dividend tax), existing pensioners who have tax relief on private medical insurance (a short-sighted measure that will add to burden on the NHS), international corporations, exploiters of tax loopholes, motorists, smokers, polluters, and the shareholders in, and consumers of, privatised utilities (as a result of the windfall levy). It is arguable that consumers should have paid more directly, since they are fuelling the current strong growth which has put the economy at a potential danger point. There were hints last night that more may have to be done if expansion does not moderate.

The Tories were understandably pointing to a long list of tax rises, but Mr Brown can just about claim not to have broken the spirit of Labour's election manifesto, even if it looks a bit bent in places. However, the tax burden will continue to rise, in part because of yesterday's measures. Despite the strength of the economy, the share of taxes in national income is expected to be 37.5 per cent next year, a full point higher than under Tory plans.

The list of gainers from the Budget also shows Mr Brown's sense of priorities — current pensioners (partly thanks to the cut in VAT on domestic fuel), companies which invest a lot, young people and single parents seeking work, housebuilders, and the British film industry.

The suprise in the Budget was Mr Brown's announcement that he would be allocating nearly half the £5 billion reserve for the next financial year to ease the current acute financial pressures in the health service and education. This was politically well-judged since the money had to be allocated at some stage and the Government avoids several months of complaints before the inevitable announcement in the autumn. These increases brought the biggest cheers from Labour MPs. But they still preserve the overall spending limits inherited from the Tories and give Mr Brown and his team some breathing space to pursue the comprehensive spending reviews of departmental programmes which will affect budgets for the final three years of the Parliament.

Overall, the balance of the package — the extra spending for health and education, the cut in VAT on domestic fuel and the welfare-to-work package — should go down well and offset protests from those adversely affected by the tax rises. Mr Brown will have made some enemies, but not enough to make a real dent in the Government's popularity.

Mr Brown aims to be one of those rare politicians "who make the weather", as Winston Churchill so vividly said of Joseph Chamberlain. He wants to set the political agenda and, judging by yesterday's Budget, he is doing so. If Tony Blair is chairman of new Labour plc, its public face, then Mr Brown is its chief executive.



Heath the apologist for communist China: the former Prime Minister meets Vice-Premier Li Lanqing in London in November last year

The arrogance of age

Grandees such as Heseltine, Heath and Howe despise democracy in East and West

William Rees-Mogg

Democracy is the real issue, both in Hong Kong and in Europe. Before we leave the subject of Hong Kong, we need to take a further look at the British attendance at the post-handover swearing-in of the Provisional Legislative Council. This ceremony was boycotted by the British Government, particularly by Robin Cook, the Foreign Secretary, on the grounds that the new council had been entirely nominated by China and had no democratic basis. Indeed it contains no members of Martin Lee's Democratic Party, which is, in terms of votes, the majority party in Hong Kong. The ceremony was attended by two former Governors, Lord MacLehose and Sir David Wilson, and by the widow of Sir Edward Youde, who was also a Governor. They belonged to the period in which Britain failed to advance democracy in Hong Kong, though they bore different shares of responsibility for that.

The ceremony was also attended by Sir Edward Heath, by Lord Howe and by Michael Heseltine. There used to be a tradition that British politicians did not criticise their Governments when abroad. Winston Churchill was particularly careful to stick to this tradition during the period of the Attlee Government. The present Government has recently been elected by an overwhelming majority; it took the view that attending the swearing-in would be interpreted as an approval for the non-democratic council. Non-attendance was therefore British policy, not just that of the outgoing Governor, Chris Patten. It is surely no bad thing for Britain to declare on the side of democracy.

It goes against tradition for three distinguished, if elderly, Conservatives, two of whom still sit in the House of Commons, to make an ostentatious little demo against the policy of the British Government. That did carry British politics into the overseas arena. The conduct of the former Governors is even harder to excuse. They are retired civil servants. By their presence they were expressing a political opinion, demonstrating that they rejected the pro-democratic policy of the Government. Civil servants have no business to demonstrate against policies for which they have at an earlier time been responsible, particularly when their own record is so questionable.

The conduct of Lord MacLehose is particularly hard to justify. For a long time he had more opportunity than anyone to move Hong Kong towards a more democratic constitution, which would, of course, have resulted in the promotion of Hong Kong Chinese to positions of greater power. He was the political adviser in Hong Kong as long ago as the early 1960s. He returned to be Governor for the fateful years from 1971-1982. Some people would call them the wasted years. That was the period of democratic opportunity, which included the death of Chairman Mao and its confused aftermath. Hong Kong should then have been given the new and democratic constitution which almost every other British colony had already received. Far too little was done. The old Raj rattled on, in authoritarian partnership with Red China. Of course the governments of the day, including Ted Heath's, were ultimately responsible. Yet Lord MacLehose should now be the last person to demostrate his support for an imposed non-democratic council. If he had acted differently when he was Governor, this issue might have been settled before it arose.

Ted Heath's attitude toward China has long been undignified and has now become grotesque; it reached the height of absurdity when he explained to Martin Lee on *Newsnight* that Lee did not understand the Chinese. Everyone would like to respect Heath's age, his position as Father of the House, his status as a former Prime Minister. It is difficult to do so when he does not respect it himself. There are limits to the tolerance which ought to be extended to him when it comes to the issues of liberty and democracy. In all the controversies over Chinese policy, he has now become an apologist for the communist regime which angrily rejected the modest Patten advance towards democracy.

Like Heath and Michael Heseltine, Geoffrey Howe can fairly be called a Euro-fanatic. When he intervenes in politics nowadays it is usually to support some Europeanist policy or another. There seems to be something about extreme Europeanists that induces them to show public support for handing Hong Kong over to a nominated, wholly undemocratic council. Yet not all Europhiles behave like this. Kenneth Clarke has been a robust supporter of Governor Patten's line; Douglas Hurd, at the Foreign Office, may have been soft on Europe, but he was not soft on China. Patten himself remains a Europhile, and in his farewell interview with *Newsnight* made an ill-timed remark about his opposition to the Euro-sceptics in the Conservative Party.

It is Heath, Howe and Heseltine who stand on the same side on both issues. They are on the side of the big battalions, both in Europe and in Asia. They are not on the side of democracy and independence. The real agony of Hong Kong is that Britain failed to create an independent democratic Hong Kong before transfering sovereignty to China. By the time Chris Patten arrived in 1992, it was far too late. The period of greatest opportunity was the MacLehose term as Governor, during which Heath, Wilson, Callaghan and, at the end, Thatcher were Prime Ministers. Baroness Thatcher now deeply regrets that Hong Kong is not more democratic and more independent; it is Ted Heath who apologises for the power of China.

The extreme Europeanists are equally callous about the democratic deficit in the European Union. The constitution of the EU is only marginally more democratic than that of China. Like China, the EU is run by a political class which answers to no electorate and cannot be turned out. The individual nations have democratic constitutions, but as powers have been transferred from the nations to Brussels, they have gone from democratic to bureaucratic control. The European Parliament is remote, second-rate and negligible, one of the world's most sumptuous gravy trains. None of the other European institutions is even theoretically democratic. The Commissioners are nominated, just like Hong Kong's new Legislative Council. The Court is nominated. The Council of Ministers is an inter-governmental body and a secretive one.

Politicians can be divided into three groups: some are democrats on both issues; some are not democratic on Europe but are sound on Hong Kong; some are undemocratic on both issues. The double democrats include Robin Cook, Margaret Thatcher — despite the relative failure of her Hong Kong negotiations — and William Hague. The single democrats — sound on Hong Kong but soft on Europe — include Chris Patten, probably Tony Blair, Kenneth Clarke and Douglas Hurd. The non-democrats include Ted Heath, Geoffrey Howe and Michael Heseltine. Fortunately they are all yesterday's men and have ceased to have much influence on the future of Britain, or even of the Conservative Party. The double democrats are the people who deserve support. Robin Cook must have felt a great temptation to conciliate the power of China by attending the swearing-in. It is to his credit that he resisted it.

There is a famous sentence of the great economist, David Ricardo, about inflation: "Experience shows that neither a State nor a Bank ever had the unrestricted power of issuing paper money, without abusing that power: in all States, therefore, the issue of paper money ought to be under some check and control." Experience equally shows that governments which cannot be turned out always abuse their powers. Democracy is not merely an ornament to government, like a Corinthian portico slapped in front of an office block. It is the only effective control on the abuse of power that has ever been found.

Even medieval popes, some of whom were holy men, plundered Rome to enrich their nephews: they could not be removed by their subjects. The power to "throw the rascals out" keeps governments under some control. The people of Hong Kong cannot throw out the new Government of Hong Kong, even at the local level; the people of Europe cannot throw out the court, the Commission or even the Council of Ministers. We should wholly distrust those who demonstrate hostility to democracy both in Hong Kong and in Europe.

Brown's short-term medicine

For Tim Congdon the cure is worse than the disease

The charge most commonly levelled against British management by new Labour politicians is "short-termism". In his first Budget, Gordon Brown claims to have changed the incentives facing management, encouraging long-term investment for the national interest. The truth is rather different. Far from providing a stable environment for the long-term planning of savings and investment, Labour's first Budget creates new risks and instability for companies, and greatly complicates the provision of pensions.

The first mistake is the windfall tax. Mr Brown can, of course, defend it because it was in the Labour manifesto. But — from a broader perspective — the tax is still seriously misconceived. The industries affected have little in common except that they were once in public ownership; the inclusion of some industries and the exclusion of others cannot be defended on any simple criterion of fairness or similarity; the tax is highly retrospective, being in the case of BT based on profits earned almost ten years ago; and difficult legal questions are raised about the distinction between taxation, which is applied uniformly across a recognisable tax base, and confiscation, which is an open violation of private property and contrary to many international treaties.

Tony Blair told American businessmen last week that a tax like this would not be repeated. Margaret Becket has said that the tax was "retrospective", by which she appeared to mean that it was in the past and would not recur. Like Mr Brown, they know that the tax is wrong.

The windfall tax warns all companies, including potential foreign investors, that Britain's tax regime is unstable and potentially discriminatory. When governments get into the habit of occasional, arbitrary and confiscatory so-called "taxes", a sensible chief executive has to devote a great deal of time to lobbying and politicking. Companies will inevitably become more political and more short-term in their planning.

The windfall tax had at least one merit, that a clear warning had been given beforehand. The same cannot be said of Mr Brown's second mistake, the ending of advance corporation tax (ACT) credits for pension funds. The speculation of the past few weeks does not amount to the extended period of consultation that a radical change of this kind justifies. A Green Paper was in order, not this precipitate upheaval.

Like the windfall tax, the scrapping of ACT credits will politicise business planning. The pension fund industry is unusual in that it must of necessity plan ahead over the long term, often for periods of several decades. It therefore depends on long-run fiscal stability. But Mr Brown's change will alter all the calculations that actuaries have made and lead to significant increases in future pension contributions and changes in asset allocation. Worse, it warns people that a cardinal principle of the pension system — that income within pension funds is free from tax — is unsafe.

The Budget speech contained a certain amount of rhetoric about the vices of dividends and the virtues of profit retention and investment. Such rhetoric serves as an important reminder that socialists are happy for companies to make long-term investments, as long as the shareholders never receive a proper return. If new Labour continues to move in this direction, individuals will have to think hard about whether they should save via pension funds or instead move to more reliable tax jurisdictions.

The third area of uncertainty is the Budget arithmetic. Mr Brown insisted that for the first two years expenditure would be within the totals inherited from the Tories. But he announced a large number of spending initiatives, to be financed from a new (and mischievously labelled) "windfall fund". Either these initiatives are additional to the previous Government's spending or they are not. If they are not, they must have been offset by spending cuts elsewhere. But Mr Brown was silent about these. The danger is that he will use the money from the windfall tax, which lasts only two years, to finance new expenditure which will continue indefinitely.

A careful reading of the Budget documents shows that the main reason for the dramatic fall in public borrowing to only £5 billion next year is not Mr Brown's tax increases, but the buoyancy of the economy and the consequent cyclical strength of tax revenues. The deficit will not be a serious problem for the next two or three years. But Mr Brown is lucky to take responsibility for the nation's finances at such a fortunate time.

Mr Brown proclaims the long-termism of his intentions. Unhappily, the main measures in his Budget are short-termist. The windfall tax is not a permanent source of revenue. Other taxes are — or appear to be — permanent, but their effect will be to reduce, not lengthen, the planning horizon of companies and institutions. The damage is greatest for the pension funds, on whose successful management the long-term living standards of so many people depend.

Slipped away

ABSENT from the main Hong Kong handover celebrations was Henry Keswick, the chairman of Jardine Matheson and as potent a symbol of colonial Hong Kong as the Jockey Club. A few hours before the main event he had slipped over in the rain and broken his shoulder.

Keswick, 58, who flew to Hong Kong with his wife Tessa for the handover, was standing in the torrential rain at 6.15pm watching an official parade when he slipped.



Off games: Henry Keswick

Luckily, his brother, Simon Keswick, and Sir Charles Powell, Baroness Thatcher's former adviser, now a director at Jardine's, were near at hand to ensure the great taipan's safe transfer to hospital.

"The ground was very wet and he just went flying," says Powell, who has already returned to London. "He was badly hurt so he has had to stay behind in hospital."

The accident meant that Keswick, a keen socialite, not only missed Monday night's dinner attended by the Prince of Wales, but also the midnight party in Victoria Harbour, where a fleet of barges sponsored by his own company rocked to karaoke music on the water while the fireworks exploded above.

"I'm sure he's being dealt with skilfully by the Chinese, but I imagine he's longing to get home," says Sir Charles. "We're hoping to see him back this week." Keswick's wife has remained in Hong Kong with her husband.

Rugby win

YET more good news for Jeremy Guscott, the Bath and England winger who clinched the rugby series series for the British Lions against South Africa with his last-ditch drop goal at the weekend. He is to replace John Fashanu, the former Wimbledon footballer, currently in court over goal-fixing allegations, as a host of the children's television programme, *Gladiators*.

Before approaching Guscott, LWT, which makes the programme, approached the motoring journalist Jeremy Clarkson. Sadly, he felt he would look embarrassingly unfit next to the contestants.

Island hop

NOT once on his recent visit to the Greek island of Cephalonia did the writer Louis de Bernières have to reach for his wallet. The reason? The success of his novel *Captain Corelli's Mandolin*, which tells a love story set on the island during the Second World War, has worked wonders for the local tourist industry. In hotels, bars, and restaurants, de Bernières found the retsina appearing unrequested, room service bills torn up before his eyes.

"The Cephalonians are terribly pleased to have at last found their own place in literature," says de Bernières, who has been filming a documentary about the impact of his book on the island. "They were fed up with Corfu taking all the tourism, because of Gerald Durrell. The woman at the Historical Museum tells me that 90 per cent of the visitors to the island have read my book."



"I got the idea when I filled the car with petrol"

● *Ten years after he drew 62,000 to a concert in Florence, David Bowie, the rock star, is having difficulty on tour in Italy. His promoter, Mimmo D'Alessandro, has been moaning to the Italian paper* Corriere della Sera *that only 5,500 tickets have been sold for a Bowie concert next Monday in a stadium which seats 30,000. The story is similar all over Italy. These are bad times for British acts. On Monday, Simple Minds, once stadium fillers, played to a feeble crowd of 3,000 in an echoing 15,000 capacity auditorium.*

Street smart

FOR a few hours on Tuesday night, the rain held off for London's July 1 street parties. In St James's Street, in Piccadilly, Green's restaurant laid on champagne and oysters for the neighbours, while the entertainment was provided by Malcolm Innes, a local gallery owner, and a pin-striped Highlanders pipe band.

In Motcomb Street, in Knightsbridge, the cast of *Hello!* magazine



Freebies: de Bernières

rallied in mini marquees. The new Labour event was over in Northumberland Place, Notting Hill, the new home of Peter Mandelson, the Minister with an ever expanding Portfolio.

Trestle tables were laid out for supper on the street, but the highlight of the night was Ben Bradshaw, the dashing new MP for Exeter, throwing himself into the hokey-cokey, sending his tightly trousered legs and Doc Marten boots shooting off in Monty Pythonesque directions.

P·H·S

BROWN IN BUSINESS

A commonsense budget that deserves support

British politics used to contain one party that wanted to cut tax on principle and another that wanted to raise tax on principle. Now we have a Government that seems to have no ideological preconceptions and tries to make tax changes that are appropriate to the needs of the economy. In his first Budget yesterday, Gordon Brown put himself forward not so much as the Iron Chancellor but as the Commonsense Chancellor.

As we have argued before, the economy is buoyant but not out of control. It was sensible to tighten fiscal policy a little, by abolishing dividend credits to pension funds, without taking large sums of money directly out of voters' pockets. It was sensible too, in today's property market, to cut mortgage interest tax relief and to raise stamp duty. Mr Brown could have abolished mortgage relief altogether, but this was not the Budget of a man in a hurry. The Chancellor has left himself the option of cutting MIRAS further in future Budgets.

On Saturday, we suggested that he redirect some of the money he has taken out of dividend credits back to companies. This Mr Brown has done, by cutting corporation tax rates by two percentage points and doubling capital allowances this year for small and medium-sized companies. We also suggested that he mitigate the effect of the change for charities. He has done that and more: PEP-holders and non-taxpayers will also be exempt for the next two years.

The Chancellor made much of his support for small business. Such a claim, from the mouth of a Labour politician, was met with general disbelief before the general election. Since May 1, Labour has gone a long way towards proving its sincerity. From Tony Blair's proselytising for flexible labour markets to Mr Brown's corporation tax cuts, there is now a welcome emphasis on the importance of enterprise to the success of Britain's economy.

The core of the Budget, the welfare-to-work measures, should help to increase the economy's sustainable growth rate. This is a good time in the economic cycle to address the problem of low skills and long-term unemployment. As shortages of labour are beginning to appear, companies may be prepared to recruit from among the more intractably unemployed if they are given the incentive to do so.

Those on the unemployment register are not the only welfare recipients in need of help. The "hidden" unemployed — lone parents and the sick or disabled — are also without work and between them cost the taxpayer £35 billion a year, a third of the whole social security budget. Many of these would like to work if they could. The £200 million that the Chancellor plans to spend on childcare and the allowances against childcare costs that he is offering could pay for themselves eventually if these parents rejoin the labour force. The Chancellor's claim that childcare is "an integral part of our economic policy" will gladden the hearts of parents who have been arguing this for decades.

The overall shape of this Budget owes as much to the Prime Minister as to his Chancellor. Middle-class voters who supported Labour with some trepidation in May have not had their trust betrayed. Labour's friends and supporters in the film industry have been handsomely rewarded — rather more handsomely than was necessary. The Budget failed to hit tax relief on pension contributions, the married man's allowance, profit-related pay, inheritance tax or company cars. William Hague tried to portray it as shamefully tax-raising: his speech must have been pre-prepared.

The package was not as green as it might have been — Mr Brown's boast of gas prices falling was at odds with Mr Blair's attempt to cut carbon dioxide emissions. And it may not be as tight as the markets wanted. But the Chancellor has done what the country hoped for. He has found more money for health and education, addressed the problem of the underclass, and set out on a prudent fiscal path. This Budget should be popular. It deserves to be.

TRANSITION IN TIRANA

Berisha's departure will not end the crisis in Albania

Albanians await the second round of their parliamentary elections on Sunday in a state of high anxiety. The ultimate result is not in question. The strength of the Socialist Party performance in the first ballot should be enough to ensure that it has a commanding final majority. President Berisha has already conceded that point on behalf of his Democratic Party. The slow count appears to confirm his assessment. Certain officials clearly needed no further evidence. The Interior Minister and his deputy have already left the country. Mr Berisha and his present Prime Minister, Bashkim Fino, spent much of yesterday in dispute over who should replace them.

The elections have been conducted in a seriously unsatisfactory manner. They were conceded by Mr Berisha in an attempt to end the unrest that swept the country this spring after the collapse of various pyramid schemes. As many as two thirds of Albanians had made these ill-advised investments. The country appeared on the brink of civil war. The prospect of a fresh contest and the formation of a provisional multiparty administration proved enough to stem but not to stop the violence. Much of southern Albania, however, remained under the control of heavily armed insurgents whose self-appointed "salvation committees" usurped Mr Berisha's authority.

It is hardly surprising that the elections which followed were flawed. It is a minor miracle that they were conducted in any form at all. Voter registration was inconsistent, almost arbitrary. Electoral law and even polling hours were uncertain as late as last weekend. Organised obstruction, intimidation, and periodic murders associated with both main parties continued as voters attempted to exercise their franchise. Southern Albania largely remained a law unto itself throughout the campaign. International supervision of the whole process, led by officials of the Organisation for Security and Co-operation in Europe and backed by an Italian-dominated peacekeeping force, was patchy.

Despite these failings there is little reason to suspect that the election was stolen from the Democratic Party. The high level of abuse could not by itself have produced the Socialist triumph. Nor, despite his protestations, does it seem probable that King Leka was robbed of the restoration of his throne in the referendum that accompanied the parliamentary contest. Mr Berisha's future has been at the centre of speculation. He was under no obligation to quit power. Nor has his tenure been without virtue. In current circumstances, however, while his departure could not ensure order, his continuation in office would reignite anarchy. He rightly acknowledged yesterday that he would not remain for much longer.

Albania's problems will not end with Mr Berisha's ousting. The Socialist leader, Fatos Nano, won popular support with an utterly implausible promise that all savings lost in the pyramid schemes would be refunded. That sum is at least half of Albania's GDP and no reliable record of individual losses exists. The economic programme of the incoming regime, many of whom were enthusiastic followers of the former Communist dictator, Enver Hoxha, is no more credible. Northern Albania, which backed the Democratic Party, will need considerable reassurance about its future. The international community may have hoped that these elections would end the need for outside involvement in Europe's poorest nation. That ambition is unlikely to be realised.

UNHOLY ROW

Let the Lindisfarne Gospels make regular pilgrimage

Yesterday the British Library rehearsed the official reasons for its refusal to return to its original British home one of the oldest surviving translations of the Bible into English. The Lindisfarne text of the gospels, the library insists, is a national not a regional treasure; at its London home it will be seen in context beside Magna Carta and other historic documents; scholars come from all over the world to Bloomsbury, not to Lindisfarne. So do six million visitors a year: when the gospels went on loan to Newcastle last year, they attracted only 75,000 visitors. To return them would require an Act of Parliament and set a dangerous precedent. And where would that end?

Nobody disputes the importance of the gospels. They are the finest flower of that brief efflorescence of the primitive native churches in a dangerous world where law and order had broken down. They introduced the civilising love of learning and reverence for books. Their illustrations fused Irish, classical and Byzantine styles into the earliest native art form. And when Aldred, the Provost of Lindisfarne, wrote his gloss in Old English between their Latin lines, he was starting the democratic ideal of a version of the Bible that ploughboys as well as scholars could read. Wycliffe, Tyndale, the Authorised Version and subsequent vernacular translations carried on the revolutionary ideal born at Lindisfarne.

These foundation documents of English Christianity were evacuated from Holy Island to escape the Norsemen. Henry VIII's commissioners seized them from Durham Cathedral. They are now judged too fragile to be returned to Lindisfarne, which is accessible only by boat and causeway at low tide. The Lindisfarne Gospels need not, however, stay permanently in London.

The Gospels have already returned to the North twice on loan. They need not now become the cause of a heritage tug-of-war between North and South. The British Library should be generous in letting the gospels go to Durham on loan, perhaps on a regular pilgrimage of grace. Seen in their places of origin, such historic documents increase their numinous aura and attract new admirers who may never go to Bloomsbury, or who may miss them among the other riches there.

Fortunately, modern computer technology also makes it possible for viewers to turn the pages in virtual manuscript-reading. And modern digital arts can now make the holy images widely available everywhere — a democratic modern ideal with which those who first translated the Bible into English would happily agree.

LETTERS TO THE EDITOR

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Public order justification for ban on Orange marches

From Professor Mike Brogden

Sir, The Secretary of State for Northern Ireland, Dr Mo Mowlam, and the Chief Constable of the Royal Ulster Constabulary are faced with an immediate critical decision with regard to the proposed Orange Order march in Portadown on Sunday. I urge them, solely on public order grounds, that this march must not be permitted to take place against the wishes of the residents of the Garvaghy Road.

Two senior civil servants have advised me separately over recent weeks that they are pleased that the new Labour Ministers of the Northern Ireland Office "have not brought any political baggage with them". I interpret this to mean that Labour MPs familiar with, for example, provocative National Front marches through predominantly black areas of Britain, should not equate them with sectarian marches in Northern Ireland. The latter are to be regarded not as political matters but as cultural manifestations. As one not involved in the politics of Northern Ireland, I find difficulty in distinguishing the two.

Dr Mowlam appears to be weighing up pragmatically which is the lesser of two evils — a repeat of last year's Loyalist street blockades if the march is prevented or Nationalist protests if it is allowed to continue. There is some evidence that she is willing to countenance the latter as more readily containable.

It seems critical to me that she does bring "political baggage" to her decision-making process. Orange marches through the streets of opposed communities are intended to drive home exactly the same point as the National Front marches of the 1980s: that northern Catholics, like black people in Britain, are intruders into the "normal" society, and should pack their bags and return to some spurious homeland.

Such provocation, despite any dissimulations, constitutes a major threat to public order and to the rights of Northern Ireland citizens. There is no common-law right to parade that appalling message through the residential areas of a different community. The "political baggage" portrayed by those civil servants actually constitutes respect for universal standards of human rights, rights not circumscribed by particular local practices of domination and subordination.

The cultural tradition of the sash and the drum when utilised in this deliberately provocative fashion, has nothing to do with legitimate communal traditions.

I urge the Secretary of State to apply the same kind of non-political criteria that Chief Constables used to prevent racist marches disturbing the peace in the inner cities of Britain. Her object should not be the short-term minimisation of harm — a practice which has bedevilled the last 28 years of Northern Irish history — but the long-term concern with the law and order rights of the vast majority of the community.

Pragmatic decision-making in Northern Ireland, as evidenced by the last Drumcree march, has sown the present political impasse and made hostages of us all.

Yours sincerely,
MIKE BROGDEN,
The Queen's University of Belfast,
Institute of Criminology
and Criminal Justice,
3 Lennoxvale, Belfast.
July 1.

Time for debate on cannabis law

From Mr Nigel Williamson

Sir, Thirty years ago today *The Times* published a brave and significant leader under the headline "Who breaks a butterfly on a wheel?" It argued that the three-month jail sentence meted out to Mick Jagger for possession of cannabis was unfairly excessive.

That leader led to a full-page advertisement in *The Times* some three weeks later headed: "The law against marijuana is immoral in principle and unworkable in practice". Signatories included MPs and doctors, the Beatles, David Hockney and Kenneth Tynan. Three decades later the law remains unchanged.

It is true that in many areas of Britain possession of cannabis has effectively been decriminalised as it has become standard police practice to issue a caution rather than to prosecute. Yet this position remains highly unsatisfactory and inconsistent. It is surely time for the Government to examine a change in the law.

While in Opposition, Clare Short was slapped down by Tony Blair (report, October 30, 1995) when she suggested that existing policy should at least be opened up to informed debate. If his reaction was understandable before a general election, there is no such excuse today. In particular no-one can deny Ms Short's point that whatever hard-line policies may have achieved, they have failed to stop the growth of the use of recreational drugs.

In the view of many of us the case for the decriminalisation of marijuana was overwhelming in 1967 and remains so today. Yet we accept that there is still the need to win a public debate on the issue — a debate that over all of those intervening 30 years has never been allowed to take place in a level-headed and objective climate. The sensible course would surely be for the Government to set up a royal commission, an approach that already has support from several senior voices in the police force.

Yours etc,
NIGEL WILLIAMSON,
High Beeches, Sutherland Avenue,
Westerham, Kent.
nigelwilliamson@compuserve.com
July 1.

Move to nuclear power

From Professor Richard Wilson

Sir, Many scientists agree with Mr Blair and your editorial of June 21, "Down to Earth", that it is wise to reduce emissions of greenhouse gases [letters, June 25, 28, July 1]. Mankind is changing an important climate parameter — the concentrations of these gases — at a rate that is rapid compared to human existence, and it behoves us to be careful.

However, the stated plans are unlikely to meet the goal of a 20 per cent reduction by 2010. In a free market it is necessary to make fossil fuels more expensive and the alternatives cheaper.

We therefore need a carbon tax of as much as £30 per ton of coal: this, if rebated by other tax reductions, can be a stimulus to the economy. Alternatives need not be expensive: twenty years ago nuclear power was competitive with coal in many countries.

Unfortunately, public concern has led to opposition and to variable and draconian regulation, which in the US has more than doubled the real cost in twenty years. Thus, an important endeavour, strangely overlooked by both Mr Blair and your leader, is a return to nuclear power. A small part of the carbon tax could be spent on understanding and addressing the public concern, so that nuclear power could be cheap and effective once again.

Yours sincerely,
RICHARD WILSON,
Harvard University,
Cambridge, MA 02138.
wilson@huhepl.harvard.edu
June 27.

Law Society conflict

From Mr Colin Ashley

Sir, Your report on the "dirty tricks" row at the Law Society (June 23) asserts that Martin Mears, the society's former president, had alienated a large number of solicitors with provocative statements.

It should be pointed out that Mr Mears also endeared himself to a large number of solicitors with many of those self-same statements which contrasted sharply with the mealy-mouthed approach adopted for years by members of the Law Society council.

Mr Mears administered a well deserved kick to the Law Society which, for the first time in years, gave many of us, particularly in high street firms, a glimmer of hope that the Law Society would start to be responsive to the needs of its members.

Whether Mr Mears is successful or not in this year's elections he has established himself as a hero for many of us at the sharp end of the profession.

Yours faithfully,
COLIN ASHLEY,
A. H. Sutcliffe & Co (solicitors),
22 Drake Street,
Rochdale, Lancashire.

Lions' victory

From Mr Robert Calcraft

Sir, Mr Stogdon (letter, June 30; see also letter, July 2) asks if the Lions' victory in South Africa does not "make a great case against the proposed devolution of Scotland and Wales". The opposite is, in fact, true.

Devolution already exists in rugby terms, with Scotland, Wales and Ireland each having national teams with separate rugby unions and league structures. They each have effectively their own "devolved" rugby parliaments and political structures.

It just goes to show that devolution, rather than undermining British (and Irish) collective strength of purpose, can actually enhance it.

Yours faithfully,
ROBERT CALCRAFT,
67 Balcombe Street, NW1.
July 2.

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Letters for publication may be faxed to 0171-782 5046.
e-mail to: *letters@the-times.co.uk*

Improvements needed in aid policy

From Mr D. J. Shaw

Sir, You discuss in your report and leading article today the courses open to Clare Short's newly formed Department for International Development (DFID). On June 26 Magnus Linklater wrote ("It's time for trade to do without aid") that she "has indicated that she wants to change the entire basis of Britain's overseas aid policy".

I hope the changes will involve an improvement in targeting. Development is essentially about the conquest of poverty. But the poor are not a homogeneous group. Identifying the poor and the causes of their poverty should be strategic elements in any development and aid programme.

It is pleasing to note that the conditions that have been applied to British as well as other aid in the past, often with disastrous effects, are to be reviewed. More emphasis must be put on a contractual approach under which the aid giver undertakes to provide the right type of aid, consistently, and for a sufficient period of time. And whatever aid is granted, it should always include provision for increasing the capacities of the poor to take care of themselves.

From my experience of over 30 years in United Nations aid policies and programmes I have identified five interrelated principles for the sustainable alleviation of poverty:

Governments in developing countries should give priority and full commitment to eradicating poverty as a central objective of their national development plans and programmes.

The poor themselves, female and male, should be intimately involved in the process of removing poverty.

Developing countries should be assisted in implementing their anti-poverty programmes with adequate and well-directed international assistance.

Co-ordinated action should be strengthened at the country level among government departments and aid programmes: no single government programme or aid organisation has all the resources, expertise and experience needed.

Finally, monitoring and evaluation systems should be put in place to track and assess the impact of the measures implemented.

President Franklin D. Roosevelt said that the test of progress is not whether we add to the abundance of those who have much; it is whether we provide enough to those who have too little. This is a good test for any aid programme.

Yours hopefully,
D. JOHN SHAW
(Head, Policy Affairs Service,
UN World Food Programme,
1990-94),
112 Kenwood Drive,
Beckenham, Kent.
July 2.

From the Director of The Export Group for the Constructional Industries

Sir, The implication in Magnus Linklater's article that most of the current aid budget is "conditional on sales of British products, services and expertise" is misleading. The Aid and Trade Provision (ATP) accounts for only 3 per cent of the total aid budget, and is used to support projects in creditworthy, low income developing countries that are (first) developmentally sound and (second) of industrial and commercial significance to the UK. Its disbursement is governed by strict international guidelines, and an ODA Review in 1995 found that since 1993 the quality of ATP projects has been no different from that of bilateral country programmes as a whole.

British contractors working overseas have co-operated closely with ODA over a wide range of sound developmental projects in over fifty developing countries. They strongly endorse Mr Linklater's comment that the "Third World needs British goods, technology, experience, management techniques and long-term assistance", and look forward to discussing with Clare Short and her officials how the private sector can best work in partnership with the DFID to continue to pursue these developmental benefits.

Yours sincerely,
ALICK GOLDSMITH,
Director,
The Export Group for the
Constructional Industries,
Kingsbury House,
15-17 King Street, St James's, SW1.
June 26.

Bridge clubs

From Mr Chris Dixon

Sir, I was pleased to read how Susanna Gross enjoys her bridge ("Be warned: bridge is addictive and leads to strange behaviour", July 1); but it is unfortunate that she painted bridge clubs in such a negative light.

As a former proprietor of possibly the most famous bridge club in the world, I introduced thousands of ordinary social players to the club bridge scene. Like countless other such clubs, the atmosphere (in both senses of the word) was clean, warm, inviting and friendly.

Even at the very top, bridge has many players who combine excellence with courtesy, charm and modesty. Examples are your own correspondent, Robert Sheehan, whom I partnered in European and Olympiad championships, and all the members of the British women's team who last week won the European championships in Italy.

Bridge is the second most popular participation game or sport in this country (after angling). I hope that social bridge players will not be deterred from joining their local clubs and sharing the pleasures of participation in a competitive activity with a social atmosphere.

Yours sincerely,
C. P. DIXON
(Proprietor, Acol Bridge Club,
West Hampstead, NW6, 1974-86),
Woodborough Farm House,
Woodborough,
Peasedown St John, Bath.
July 1.

From Mr Denis E. O'Sullivan

Sir, Novice bridge players may be interested to know that many bridge teachers, such as myself, also run the novice duplicate clubs described by Susanna Gross. These usefully fill the gap between the bridge classroom and a full English Bridge Union club, and new players can find their feet there.

The atmosphere at these clubs is friendly and encouraging (no bidding boxes, smoking, gambling or bad tempers). Bridge is fun: it should be enjoyed, not suffered.

Yours sincerely,
DENIS E. O'SULLIVAN,
c/o The English Bridge Union,
Broadfields, Bicester Road,
Aylesbury, Buckinghamshire.
July 2.

Sign-off of the times?

From Mr Adrian Dodd-Noble

Sir, For more than 60 years I have considered myself as your obedient servant and shall, I hope, continue to remain yours faithfully.

Now there is e-mail I shall be on the lookout for "bye-bye for now" or similar valedictory tags.

Believe me, Sir,
ADRIAN DODD-NOBLE,
Rectory Cottage, Allendale,
Hexham, Northumberland.
June 27.

Weather wisdom

From Mr David Hornsby

Sir, Although its mysteries have now been revealed, many will continue to fantasise over the shipping forecast (letters, June 21 and 26). My late father always maintained that General Synopsis was a senior officer in the Greek Army, whom I still picture as a rather sinister figure, brandishing his Smith's Knoll automatic.

Yours faithfully,
DAVID HORNSBY,
216 Sheen Road, Richmond, Surrey.

Wilde men

From Mr Neil Allen

Sir, As a postscript to the bizarre incident in the Las Vegas boxing ring (reports, June 30), surely Oscar Wilde, writing on another "sport", best summed up the final seconds of inglorious action: "The unspeakable in full pursuit of the uneatable."

I remain, yours faithfully,
NEIL ALLEN
(Boxing Correspondent,
The Times, 1956-76),
64 Ruskin Walk, SE24.
July 2.

Mixed signals

From Mr P. L. Bagnall-Oakeley

Sir, On Monday, during the handover ceremonies in Hong Kong, my daughter and her partner were on a boat with some 30 other people in Hong Kong harbour. At the same time my wife and I were here at home, watching the live coverage by TV.

Soon after 5pm my phone rang. It was my daughter on her mobile phone saying: "We know the VIPs have left the Conference Centre and are heading for Tamar, but *Britannia* is in the way and we can't see what is happening." Thus I found myself describing to her what I was seeing on my screen so that she could tell those on the boat.

I think I understand why TV and phone signals do not bump into each other and get confused, but I wonder if I could ever have explained this to my grandmother? She was born around 1870 and lived some 97 years.

Yours etc,
P. L. BAGNALL-OAKELEY,
8 Greystoke Close,
Berkhamsted, Hertfordshire.

And no kissing

From the Chairman of the Over-Fifties' Association

Sir, Where do these "Days" and "Years" come from? Who originates them?

I am, of course, referring not only to "No Smoking Day", "No Driving Day", etc, but, also, to today's "Day" (July 1), "Kissing Day", which really takes the biscuit. No one has kissed me today. Why not?

My earnest attempts to make Kissing Day a success have been rebuffed with comments along the lines of "Where's your dirty raincoat, Grandad?" and "Ooh sailor, aren't you the brave one?"

I have observed all other "Days" — witness my letter of June 30, 1992, which you published and which supported "European Year for Older People". May I, therefore, suggest, in the light of all this occupational and personal pension current outrage, that we secure a "Pension Redemptions Day"?

Yours faithfully,
ERIC D. BELLENIE,
Chairman,
The Over-Fifties' Association,
29 Hill Court, The Ridings, W5.
July 1.

COURT CIRCULAR

BUCKINGHAM PALACE
July 2: The Queen and The Duke of Edinburgh this morning left Macdonald Cartier International Airport, Ottawa, for London.

The following were present and took leave of Her Majesty and His Royal Highness: The Governor General (the Rt Hon Roméo Le Blanc) and the Prime Minister (the Rt Hon Jean Chrétien).

The Queen and The Duke of Edinburgh, attended by the Lady Farnham, the Hon Mary Morrison, the Rt Hon Sir Robert Fellowes, Major General Gaston Cloutier, Mrs Mary Francis, Miss Penelope Russell-Smith, Surgeon Captain David Swain RN, Air Commodore the Hon Timothy Elworthy, Lieutenant Commander Jean Yves Bastien and Sir Brian McGrath, arrived at Heathrow Airport, London, this evening from Canada and were received at the Airport by the Earl of Airlie KT (Lord Chamberlain) and Mr Michael Roberts (Managing Director, Heathrow Airport).

The Queen was represented by Mr Simon Bowes Lyon (Her Majesty's Lord-Lieutenant of Hertfordshire) at the Memorial Service for Major General Sir George Burns (formerly Her Majesty's Lord-Lieutenant of Hertfordshire) which was held in the Cathedral and Abbey Church of St Albans, Hertfordshire, this afternoon.

The Duke of Edinburgh was represented by Lieutenant-General Sir Anthony Denison-Smith.

The Prince of Wales was represented by Brigadier John Rickett.

The Princess Royal was represented by Lieutenant-Colonel Peter Gibbs.

Princess Alice, Duchess of Gloucester and The Duke and Duchess of Gloucester were represented by Lieutenant-Colonel Sir Simon Bland.

The Duke of Kent was represented by Mr Nicolas Adamson.

Princess Alexandra, the Hon Lady Ogilvy was represented by Rear Admiral Sir John Garnier.

BUCKINGHAM PALACE
July 2: The Duke of York this evening attended the Annual Dinner of the Pakistan Society in the Great Hall, Lincoln's Inn, London WC2.

BUCKINGHAM PALACE
July 2: The Princess Royal, President of Patrons, Crime Concern, this morning attended the Prudential 1997 Youth Action Awards ceremony at London Zoo, Regent's Park, London NW1.

Her Royal Highness, Chancellor, University of London, this afternoon opened the Department of Primary Care and Population Science at the Royal Free Hospital School of Medicine, Rowland Hill Street, London NW3.

The Princess Royal, President, Riding for the Disabled Association, later attended the Windsor Lions Twenty Fifth Sponsored Horse Ride celebrations at the Guildhall, Windsor, and was received by Her Majesty's Lord-Lieutenant of the Royal County of Berkshire (Mr Philip Wroughton).

CLARENCE HOUSE
July 2: Queen Elizabeth The Queen Mother this afternoon visited gardens in the London Borough of Tower Hamlets under the auspices of the London Gardens Society and the London Children's Flower Society.

Miss Jane Walker-Okeover was in attendance.

Her Majesty was represented by Major Sir Ralph Anstruther, Bt, at the Memorial Service for Major-General Sir George Burns which was held in the Cathedral and Abbey Church of St Alban, St Albans, this afternoon.

YORK HOUSE
ST JAMES' PALACE
June 2: The Duke of Kent, Field Marshal, today visited troops and families at Hohne Garrison, Germany.

The Duchess of Kent this afternoon received an Honorary Degree of the University of Hull at City Hall, Cottingham Road, Hull, and was received by Her Majesty's Lord-Lieutenant of the East Riding of Yorkshire (Mr Richard Marriott).

Today's royal engagements

The Duke of Edinburgh will attend a pre-luncheon reception at the Hyatt Hotel, Birmingham, at noon and will present the *Birmingham Post* Business Awards at a luncheon held afterwards at the International Convention Centre.

The Princess Royal, as Chancellor of London University, will attend the summer congregation, London Business School, Sussex Place, Regent's Park, at 10.00; and as patron, National Association of Victim Support Schemes, will attend the annual national conference at Warwick University, Coventry, at 2.00.

The Duke of Gloucester will open Manor Farm Day Centre for the Elderly, Egham, at 2.45; and as Grand Prior of the Order of St John will open the St John Council for Surrey's new headquarters at Guildford, at 4.00.

The Duke of Kent will attend a naming ceremony at Harlow Town Railway Station, Edinburgh Way, Harlow, at 10.20; will visit Northern Telecom, London Road, Harlow, at 10.50; and the Coalhouse Fort, East Tilbury, Essex, at 1.45.

The Duchess of Kent will attend the Wimbledon Championships at 12.50.

The Battle of Britain

The Ministry of Defence announces that the Battle of Britain service of thanksgiving and rededication will be held in Westminster Abbey at 11.00am on Sunday, September 21, 1997.

Applications for tickets, accompanied by a stamped self-addressed envelope, should reach the Ministry of Defence, Pld(Cer)(RAF), Room 8121, Main Building, Whitehall, London, SW1A 2HB, by not later than August 8, 1997. Applications received after this date may prove unsuccessful. If the *demand for tickets proves excessive*, it may be necessary to restrict issue to a maximum of two per applicant.

To assist with seating in the Abbey, applicants are requested to state which of the following categories is appropriate: ex Battle of Britain aircrew; relatives of aircrew who lost their lives in the Battle; past or present members of the Royal Air Force and its Reserve Forces; and members of the general public.

Tickets and a note on dress and timings for the occasion will be issued 2/3 weeks before the service. Applications are not to be made to Westminster Abbey.

Promotions in the Armed Forces

Royal Navy, Royal Marines, and Royal Naval Reserve

The following provisional selections have been made for promotions to date December 31, 1997, and June 30, 1998. The early promotions to Lieutenant Commander are effective on the dates shown:

Promotions to date December 31, 1997

WARFARE BRANCH

CAPTAIN: I K Goddard; D S H White OBE; S C Jenny; M B Avery; C P E Montgomery; N A M Butler; C A Johnstone-Burt OBE; N Morisetti.

COMMANDER: V A Nall; M Rimmer; R J Brooksbank; J S Robinson; K A Taylor; S J Nell; G A Mackay; T F McStarnes; P F Milnes; S W Garrett; S P Williams; N J Blazsby; P R Lloyd; C R Ameye; C M Pope; M J Hawthorne; P D Lemkes; S J Kenny; G W Petit; C C C Johnstone.

LIEUTENANT COMMANDER:
Promoted 12 months early: S Dalnton (eff March 1, 1998); C J M Gilmour (December 1, 1997); D J Bewick (July 1, 1997); K M T Houlberg (November 1, 1997); J A P White (November 1, 1997).

LIEUTENANT COMMANDER:
Promoted 6 months early: I E Graham (eff August 1, 1998); R J Ansley (May 1, 1998); P J L Myres (July 1, 1998); R A A Thomas (March 1, 1998); T H G Rogers (December 4, 1998).

ENGINEERING BRANCH

CAPTAIN: J. Parrick; J R Wills; J A Green; N Marks; I P G Tibbitt; G J Thwaites; A M Hussain.

COMMANDER: J H Waterman; S Greenwood; H M Wrightson; J R Pennistson; I J Peck; J M Slawson; W C Johnson; J M Newell; J D Sunderland; D N Pickthall; A E Cargen; N G Oakley; K A Beckett; H Straughton.

LIEUTENANT COMMANDER:
Promoted 12 months early: W P L Biggs (eff April 1 1998); D P S Ferris (April 1 1998); P Coulson (December 1 1997).

LIEUTENANT COMMANDER:
Promoted 6 months early: G F Hill (eff January 1 1998); S Hall (December 1 1998); I MacGillivray (April 1 1998); G S Davey (November 1 1998).

SUPPLY BRANCH

CAPTAIN: N P Wright LVO; J K C Pearce

COMMANDER: C R A M Charlton; P Cunningham; S N White; M J Atherton.

LIEUTENANT COMMANDER:
Promoted 12 months early: A M Lustman (eff September 25 1997)

LIEUTENANT COMMANDER:
Promoted 6 months early: R Wood (eff March 1 1998)

Royal Marines
COLONEL: R A Fry MBE
LIEUTENANT COLONEL: M N Spicer.

MAJOR: D A Hook; R A Pickup; P R Mansell; G R Foster; R E Walker

MEDICAL

SURGEON CAPTAIN: C J Churcher-Brown

SURGEON COMMANDER: A P Roberts; A W Murrison; C J A Edwards.

DENTAL

SURGEON COMMANDER (D): S J Liggins; A B C Maxwell.

QUEEN ALEXANDRA'S ROYAL NAVAL NURSING SERVICE

LIEUTENANT-COMMANDER: H J Allkins

Promotions to date June 30, 1998

WARFARE BRANCH

CAPTAIN: A A S Adair; S C Martin; S R Kirby; D R Larmour; A J B Cameron; A R C Bennett DSC; J C L Wotton; D W Pond; R G Cooling; C A Snow.

COMMANDER: R E Snook; G A Jardine; C J Lade; S M Steeds; A W Jackman; N R Gaunt; M W Ewences; A P F Cassar; K F Robertson; P W McDonnell; R G Ingram; T E Reynolds; C Alcock; M C Cree; S J Ancona; S J N Kings; G B Sutton; P M Bennett; M R Darlington; H R Sanguinetti.

ENGINEERING BRANCH

CAPTAIN: R Madge; J H Hollidge; R T Love; M E L Graves; M B Alabaster; S J Branch-Evans MBE.

COMMANDER: K Entticknap; M J Sexton; D R Clark; R G McLennan; S J Russell; E S Main; D T G Quayle; A I MacDonald; S J Wiles; I Shipperley; D G Elford; T J Gulley; I G Danbury; M J Toy; S A Taylor.

SUPPLY BRANCH

CAPTAIN: J Blackett.

COMMANDER: J H Pattinson; J Flanagan; J F Litchfield.

Royal Marines
COLONEL: A R Pillar OBE.

LIEUTENANT COLONEL: S G L P Buzza; S T Hartnell.

MAJOR: S G Newing; C R Scott; N M B Arding; N P Brown; J J A Herring.

MEDICAL

SURGEON CAPTAIN: A R Mugridge.

SURGEON COMMANDER: P A Hughes; G E D Howell; M H Lygo.

The following provisional selections have been made for promotion to date September 30, 1997:

Royal Naval Reserve

CAPTAIN: T R Woolley

COMMANDER: A E Gould; J E Shaw; J M Morley; P C Crump; C J Aspinell; R G Avis; B J Thorne; S M Passmore.

SURGEON COMMANDER: P K Small; J M Norwood.

The Army

Promotion to Brigadier

The undermentioned colonels are to be promoted to substantive brigadier on June 30, 1997, with seniority from June 30, 1997:

C J Burton, Late R Signals; *IDS* Campbell, Late RA; A J M Durcan, Late Gordons; A P Deed, Late R Anglian; C S Grant, Late QO Hldrs; S G Hughes, Late R Signals; W J Hurrell, Late 17/21L; J C L King, Late PWO; B C Lambe, Late RA; K Skempton, Late Cheshire; F R Steer, Late RAOC; E J Torrens-Spence, Late RDG; B D Wheelwright, Late RA; D R Wilson, Late RW; M H Duncan, Late AGC (SPS); D A Harrison, Late RAEC.

Promotion to colonel

The undermentioned lieutenant colonels are to be promoted to substantive colonel on June 30, 1997, with seniority from June 30, 1997:

B R Anderson, RDG; R A D Applegate, RA; A W Blacker, A and SH; E T Bolitho, Gren Gds; C C Brown, RA; T W Borrs MC, Para; D J Clements, R Anglian; M S Cooper, RA; S P Cowtam, RLC; P E O'R-B Davidson-Houston, RGBW; G G Davies, RRC; P Davies, RRW; P S W F Falkner, LG; G B L Fox, RLC; G Gillott, RLC; J Goodsir, AAC; A J N Graham, A and SH; A J Grey, R Signals; J B Gunson, RLC; M A C Hughes, RS; N C Jackson, R Signals; J Kazicina, RA; R J Kershaw, Para; J A S Lancaster, SG; P Lawless, AAC; C L Le Gallais, R Signals; P Lilleyman, RE; R J Little, RE; N J Mangnall, RGJ; P C Maynard, RLC; H H McNinch, REME; R G Medley, RLC; R A M S Melvin, RE; A D Morris, REME; J H O'Hare, RLC; S G Oliford; T J Gulley; I G Danbury; M J Toy; S A Taylor.

SUPPLY BRANCH

CAPTAIN: J Blackett.

COMMANDER: J H Pattinson; J Flanagan; J F Litchfield.

Royal Marines

COLONEL: A R Pillar OBE.

LIEUTENANT COLONEL: S G L P Buzza; S T Hartnell.

MAJOR: S G Newing; C R Scott; N M B Arding; N P Brown; J J A Herring.

MEDICAL

SURGEON CAPTAIN: A R Mugridge.

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The following provisional selections have been made for promotion to date September 30, 1997:

Royal Naval Reserve

CAPTAIN: T R Woolley

COMMANDER: A E Gould; J E Shaw; J M Morley; P C Crump; C J Aspinell; R G Avis; B J Thorne; S M Passmore.

SURGEON COMMANDER: P K Small; J M Norwood.

Banham, A P Barnard, R L Barrons, C Brundle, N J Foster, P A Fox, N J Lipscombe, A J Mears, J P F Potter, D J Pritchard, W K M Robinson, J C Sims, P A Siskton, P H Tomlinson, M E Waring.

Corps of Royal Engineers: C J Boag, D C Bowen, M P Carter, G K Gibbs, J M Gunns, R G R Hall QGM, W J Hemlnsley, N M Holland, R W Killick, B J Le Grys, A M Mills, P M Naylor, I D Wright.

Royal Corps of Signals: B J Barton-Ancliffe, T J P Bryning, N D Couch, P H Baton, E M Flint, M Lithgow, M P Llewellyn, T R Manders, J K McKee, D P Meyer, D G Proctor, G J T Rafferty, C Wakerley, P G Walker, D J Whitby.

Infantry

Guards Division: A W Foster SG.

Scottish Division: R J K Bradford BW, B G De La Haye RS, M P Dodson HLDRS, P D Fraser-Hopewell RS, R P Hall HLDRS, J A M McCurdy KOSB, R N H A D V Wade A and SH, P D M Watson HLDRS.

Queen's Division: P T Cross RRF, S L C Diggins RRF, H W R Eagan PWRR, P P Jones PWRR, R J Kemp R Anglian, S P B Kilpatrick PWRR, J W Rollins R ANGLIAN, N A Sim PWRR.

King's Division: T R Barrett KORBR, N P Gillier GH, G A Kilburn DWR, D I Richardson DWR, M N S Urquhart KORBR, R J Watson PWO.

Prince of Wales's Division: *F D F Drury* RGBW, G H Hony RGBW, C G S Hughes Staffords, R J Jordan WFR, M P King D and D, P J King RGBW, R J M Porter RWF, G M Thomas Cheshire; P S Tomlinson RGBW, J F Watson D and D.

Light Division: M D C Montague Ll, J I S Plastow RGJ, R A Steel RGJ.

Parachute Regiment: P D T Hollins, D M Limb.

Brigade of Gurkhas: S D Crane RGR, L A Holley RGR, M M Ullington-Price RGR.

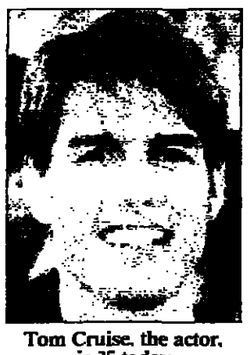
Army Air Corps: R J Eustace, A R B Oatts, B Sinclair-Kemp, C J P Stewart, I R Thomson.

Royal Logistic Corps: J Arkinstall BEM, P J A Baker, A D Bristow, R G A Collins, D J Collins, J M Copeland, T Couch, A P Cowling, P C Crossman, R K Edwards, J D A Gall, MBE, S Govan, B N Groves, P L Kirkbride, R St L Laden, R W Libbey, M R Lilley, J G O Lowe, A Mahanty, D J R Martin, K D McKeegan, H E McMahon, G A O'Sullivan QGM, A J Parrott, R J Patrick, M H F Russell, A M Speight, P F Stamps, M C Wickham QGM.

Royal Electrical and Mechanical Engineers: J P Crawford, A D Duncan, M D Eyre, P Longmore, D D Matheson, J Mulroy, D J Rodge, I W Ross, J F Rouse, I S Simpson, N R S Spurks, G F Tunnel, M J Tudor.

Adjutant General's Corps: V J Martin, G E W T Ralfes.

Intelligence Corps: N R H Fox, M S Russell, C J L Terrington.



Tom Cruise, the actor, is 35 today

Birthdays today

Miss Evelyn Anthony, author, 69; Sir Bernard Burrows, diplomat, 87; Mr Robert Crawford, director-general, Imperial War Museum, 52; Sir William Deakin, former Warden, St Antony's College, Oxford, 84; the Hon Sir Eustace Gibbs, former Vice-Marshal, Diplomatic Corps, 68; Sir Richard Hadlee, cricketer, 46; Lord Lester of Herne Hill, QC; 61; the Countess of Loudoun, 78; Mr Iain Macdonald-Smith, yachtsman, 52; the Very Rev Dr William McMillan, former Moderator of the General Assembly of the Church of Scotland, 70; Professor Michael Oliver, cardiologist, 72; the Earl of Orkney, 78; Mr Ken Russell, film director, 70; Baroness Ryder of Warsaw, 74; Mrs Justice Heather Steel, 57; Sir Tom Stoppard, playwright, 60; Sir John Swan, former Premier of Bermuda, 62; Lord Justice Waite, 65; Mr Ed Wallis, chairman, PowerGen, 58; Sir John Wills, Lord-Lieutenant of Somerset, 69.

Premium Bonds

The following Premium Bond prize-winners were announced yesterday:

£100,000: 60GB 673709, winner has a holding of £19,500 and comes from Surrey: 22JB 808688, £12,032, Wiltshire; 4EW 105229, £1,914, Suffolk: 56HS 427013, £9,027, Middlesex; 28MN 752942, £20,000, Cambridgeshire.

£50,000: 35VK 619540, £1,500, Humberside; 30MN 623246, £15,010, Westminster, London; 17AW 879338, £1,000, Berkshire; 59HZ 632872, £17,271, South Yorkshire; 56BS 626284, £20,000, Clwyd; 98BF 502777, £10,000, Merseyside; 23VB 964957, £3,498, Hammersmith and Fulham, London; 68AZ 173237, £5,160, Lincolnshire.

£25,000: 6PK 547779, £19,916, Devon; 37ZK 536696, £7,800, Derbyshire; 27VF 635255, £1,002, West Midlands; 36AS 206684, £1,210, Merseyside; 26MS 942016, £20,000, Somerset; 24JB 254972, £4,000, Merton, London; 28AN 878460, £3,155, West Midlands; 29PT 391366, £3,130, overseas; 44EB 766567, £1,030, Essex; 63AT 634673, £3,100, Surrey; 27VS 776590, £19,800, overseas; 53MZ 084786, £20,000, Ealing, London; 31RB 117897, £4,940, Kent; 33NS 852740, £20,000, Middlesex; 64AF 136660, £14,210, Suffolk; 60NT 208601, £20,000, Hammersmith and Fulham, London; 28JK 807689, £7,710, West Sussex; 39LK 729778, £19,953, Essex; 52BS 203507, £7,000, Bedfordshire.

Service dinner

Headquarters Logistics Command

Air Chief Marshal Sir John Allison, Air Officer Commanding-in-Chief Logistics Command, and Lady Allison were the guests of honour at a dinner held last night at RAF Wyton to mark their departure from Logistics Command. Wing Commander P.D.G. Milloy presided and Air Marshal C.G. Terry was the principal speaker.

Glaxo Wellcome ABSW Science Writers' Awards

The Glaxo Wellcome ABSW Science Writers' Awards 1996 were presented at The British Museum yesterday by Sir Richard Sykes, chairman and chief executive, Glaxo Wellcome plc. Glaxo Wellcome, in association with the Association of British Science Writers, makes six awards annually to the writers and broadcasters who, in the opinion of the judges, have done most to enhance the quality of science journalism.

The Awards were presented as follows:

The best feature on a science subject in a national or regional newspaper: Emily Green, Freelance.

The best feature on a science subject in a specialist periodical: Andy Coghlan, *New Scientist*.

The best news item on a science subject: Julian Rush, ITN.

The best radio programme or contribution to a radio programme on a science subject: Geoff Watts, Freelance, and Richard Aedy, BBC Radio Science Unit.

The best television programme or contribution to a television programme on a science subject: Claire Paterson, BBC Documentaries.

The best communication of science in a non-science context: Merilyn Harris, BBC Adult Education.

School news

St Paul's Girls' School

St Paul's Girls' School announces the following awards:

First Year Awards: Laura Goulding, Kensington Preparatory School; Kathryn Saklatvala, Bute House Preparatory School; Alyson Thompson, Kensington Preparatory School.

First Year Music Awards: Teresa Tsakok, Pembridge Hall; Tamsin Waley-Cohen, Bute House Preparatory School.

Senior Art Awards: Rosie Sekers, Tatiana von Preussen.

Senior Music Scholarship: Delbar Moinian, Queen's Gate School.

Dinners

Navy Board

Prince Michael of Kent attended the Trinity Term dinner given by the Navy Board last night at Admiralty House. Admiral Sir Jock Slater, First Sea Lord, presided. Among others present were:

The Lord Mayor of London, Lord Sheppard of Didgemere, Sir Peter Gibson, Air Chief Marshal Sir Richard Johns, Rear-Admiral Roberto Cesareti, Mr James Freeland, Mr John Keegan, Admiral Angelo Mariani, Mr Patrick O'Ferrall and Rear-Admiral Richard Phillips.

Anglo-Venezuelan Society

Viscount Montgomery of Alamein was the guest speaker at a reception and dinner held last night at the Savoy Hotel to mark Venezuela's Day of Independence (July 5). The Ambassador of Venezuela, president, and Mr Jack Wigglesworth, chairman, and Mrs Wigglesworth welcomed the guests.

Royal College of Psychiatrists

The annual dinner of the Royal College of Psychiatrists was held last night at the Pavilion Ballroom, Bournemouth. Dr Robert Kendell, President, was in the chair. Earlier, at the Bournemouth International Centre, Dr Kendell conferred honorary fellowships upon the following:

Dame Fiona Caldicott, Professor Sir Michael Rutter, ERS, Dr Robert van Voren and Ms Marjorie Wallace. Mrs Ismond Rosen accepted an honorary fellowship on behalf of her late husband.

Mr John E. James

Mr John E. James held a dinner last night for Carthusian gentlemen of his acquaintance at The East India Club, London.

Luncheon

British Water

Miss Angela Eagle, Parliamentary Under-Secretary of State for the Environment, was the principal guest at the annual luncheon of British Water held yesterday at the May Fair Inter-Continental Hotel. Mr Adrian White, chairman, and members of British Water were the hosts.

Memorial services

Major-General Sir George Burns

The Queen was represented by Mr Simon Bowes Lyon, Lord-Lieutenant of Hertfordshire, the Duke of Edinburgh, Colonel of the Grenadier Guards, by Lieutenant-General Sir Anthony Denison-Smith, and Queen Elizabeth The Queen Mother by Major Sir Ralph Anstruther at a memorial service for Major-General Sir George Burns, former Lord-Lieutenant of Hertfordshire, held yesterday in the Cathedral and Abbey Church of St Alban, Hertfordshire.

The Prince of Wales, Colonel of the Welsh Guards, was represented by Brigadier John Rickett, the Princess Royal by Lieutenant-Colonel Peter Gibbs, the Duke of Kent, Colonel of The Scots Guards, by Mr Nicolas Adamson, Princess Alice Duchess of Gloucester and the Duke and Duchess of Gloucester by Lieutenant-Colonel Sir Simon Bland, Princess Alexandra by Rear-Admiral Sir John Garnier and the Grand Duke of Luxembourg, Colonel of the Irish Guards, by Brigadier R.C. Wolverson.

The Very Rev Christopher Lewis, Dean of St Albans, officiated, assisted by the Rev Terry Ranson, Vicar of North Mimms, who led the prayers.

Sir Richard Carew Pole, nephew, and Mr David Tudway Quilter, nephew-in-law, read the lessons. Lieutenant-General the Hon Sir William Rous, Colonel of the Coldstream Guards, and the Right Rev Lord Rancie gave addresses. Mrs Lucy Daniel, great niece, sang Mozart's *Laudate Dominum*.

The Right Rev Christopher Herbert, Bishop of St Albans, pronounced the Blessing. The Colonel of the Life Guards was represented by Major-General Sir Simon Cooper and the Colonel of the Blues and Royals by Colonel P.B. Rogers. Among others present were:

Lady Carew Pole, Mr Tremayne Carew Pole, Mr Johnny Carew Pole, Mrs David Tudway Quilter, Mr Simon Tudway Quilter, the Hon Mrs Asquith, Mr and Mrs Rupert Asquith, Miss Emily Asquith, Mr Christopher Daniel, Miss Katherine Daniel, Mr Jonathan Daniel, Mr and Mrs Charles Dingwall and many friends, former regimental colleagues and civic dignitaries.

Mr Daniel John McCarthy

The Secretary of State for Foreign and Commonwealth Affairs was represented by Sir John Margerson and the Permanent Under-Secretary of the Foreign and Commonwealth Office and the Head of the Diplomatic Service by Sir Harold Walker at a service of thanksgiving for the life and work of Mr Daniel (Donal) McCarthy, former Ambassador to the United Arab Emirates, held yesterday at the Church of All Saints, Sudbourne, Suffolk. The Rev Robert Clifton officiated.

Sir John Wilton, Mr Sean McCarthy, son, Mr Martin Luyke-Roskott, step-son, and Father Dominic of Ampleforth Abbey gave addresses. Other members of the family, friends and former colleagues were among those present.

Forthcoming marriages

Dr A.M. Balfour
and Miss V.J.E. Clarke

The engagement is announced between Alistair, elder son of Dr and Mrs David Balfour, of Lyndhurst, and Victoria, daughter of Mr and Mrs Graham Clarke, of Lymington.

Mr C.D.L. Buckley
and Miss S.D.M. West

The engagement is announced between Christopher, only son of Mrs Michael Buckley and the late Mr Michael Buckley, of Durban, South Africa, and Suzanna, only daughter of Mr Marcus West, of Royston, Hertfordshire, formerly of Louth, Lincolnshire, and Mrs Duncan Fraser, of Nairobi, Kenya.

Mr C.N. Grew
and Miss M.E. Ressurreicao

The engagement is announced between Christopher, younger son of Mr and Mrs James Grew, of Peacefield, Northern Ireland, and Elizabeth, youngest daughter of Mr and Mrs H. Ressurreicao, of Newark, New Jersey.

Mr N.R.E. Montagnon
and Miss M.C. Skipper

The marriage between Nicholas, only son of Dr and Mrs C.E. Montagnon, of Wimbledon, London, and Melisa, eldest daughter of Mr and Mrs K.J. Skipper, of Oakley, Hampshire, will take place on July 5, in Oakley.

Mr B.C. Morris
and Miss S.J. Gadsby

The engagement is announced between Barrie, younger son of Mr and Mrs Donald Morris, of Henley-on-Thames, Oxfordshire, and Susan, elder daughter of Mr and Mrs Jack Gadsby, of Rumney, Cardiff, Wales.

Mr C.D. Vallance-Owen
and Dr K.L. Greenhalgh

The engagement is announced between Colin, youngest son of Professor and Mrs John Vallance-Owen, of Great Shelford, Cambridgeshire, and Lynn, youngest daughter of Mr and Mrs Alan *Greenhalgh, of Tittensor*, Staffordshire.

Marriages

Lord Michael Fitzalan Howard
and Lady Baring

The marriage took place quietly in London, on July 2, between Lord Michael Fitzalan Howard and Lady Baring, widow of Sir Mark Baring.

Mr I.G. Fallon
and Miss E.H. Rees-Jones

The marriage took place in London, on July 1, between Ivan Fallon and Elizabeth Rees-Jones.

A reception was held afterwards at College Garden, Westminster Abbey.

Mr S. Norasan
and Miss Y. Clay

The marriage took place on Friday, June 27, at the Queen's Chapel of the Savoy, of Stephen Norman, son of Mrs Audrey Norman and the late Kenneth Norman, to Yasmin Clay, daughter of Mr and Mrs John Clay. The Rev Ian Friars officiated.

A reception was held at BAFTA. Piccadilly, and the honeymoon is being spent in the Seychelles.

Receptions

HM Government

Mrs Margaret Beckett, President of the Board of Trade, was the host at a reception given by Her Majesty's Government yesterday at Lancaster House in honour of the Minister of State for Economic Affairs of Egypt.

Company of Water Conservators

The Lord Mayor, accompanied by the Sheriffs, attended a reception held last night at Watermen's Hall. Mr Bruce Hewett, Master, was the host and announced the forthcoming launch of the corporate appeal for the company's Water Conservation Trust.

Lord Mayor of Westminster

The Lord Mayor and Lady Mayoress of Westminster were the hosts at a reception held last night at Westminster City Hall in honour of the Royal Ballet Company. Directors, principals and dancers of the Corps de Ballet, staff of the Company, City Councillors and other friends were among those present.

PERSONAL COLUMN

BMDS: 0171 680 6880
PRIVATE: 0171 481 4000
TRADE: 0171 481 1982
FAX: 0171 481 9313

Happy is the nation whose God is the Lord, the people he has chosen for his own. Psalm 33 : 12

BIRTHS

ALGAZY - On June 18th at The Portland Hospital, to Jacques and Verena, a daughter, Natasha, a sister for Alexandra.

ARENDT - On June 25th 1997 to Virginia (née Allan) and Jonathan, a daughter, Natasha Anne Minia.

BODENHAM - On 23rd June 1997 at Guildford, to Jean (née Geddis) and Francis, a beautiful daughter, Lorna Jean, a sister for Charles.

BOWMER - On 24th June 1997, Charlotte (née Farman) and Michael are delighted to announce the birth of Charles John Calvert, a brother for Benedict.

GRANDAGE - On July 1st in Singapore, to Arabella and Nicholas, a son, George.

KENNEDY - On June 16th, to Nicola and Nigel, a son, Rory, a brother for Rachel, Rosalind and Michael.

LIVETT - On June 25th, to Helen and Tim, a son, Henry Richard Edward, a brother for James and William.

NESBITT - On June 26th 1997, to Caroline (Brake) and Michael, a daughter, Lowri Ref.

NICOL - On 30th June 1997, to Louise and Andrew, a son, Matthew Hamish, a brother for Oliver.

OGURO - On June 18th at the Hospital of St John & St Elizabeth, to Ritsuko and Shinji, a beautiful baby daughter, Mai.

PHILLIPS - On 8th June at Pembury Hospital, to Richard and Lesley, a son, Matthew David.

SEO - On June 27th at The Portland Hospital, to Atsuko and Tomokazu, a daughter, Risako, a sister for Yukiko.

SLAWSON - On June 20th, to Nicola (née Manning) and Justin, a son, Jasper, a brother for Hugo.

STELL - On June 28th at Kingston Hospital, to Pauline (née Taylor) and Robert, a daughter, Amelia Frances, a sister for Thomas and Antonia.

WICKHAM - On 2nd July in Sydney, to Anne (née Thomson) and Christopher, a son, Adam William. Present address: 3 Upper Avenue Road, Mosman, Sydney, Australia, NSW 2088.

WISE - On June 23rd in Miami, Florida, to Nicolette (née Agnew) and Nicholas, a son, Toby Frederick James, a brother for Rosalind and Edmund.

BIRTHS

WRIGHT - On June 29th 1997 at Queen Charlotte's Hospital, to Clare (née Fuller) and Jerry, a daughter, Charlotte Elizabeth, a sister for Christopher.

DEATHS

BEARDALL - Peter W., Major RAOC and IAOC, in Michigan, USA, June 15th 1997 after a long battle with cancer.

BIRCH - Evelyn Kathleen, widow of Jack, at home on June 30th. Service at St Peter's, Ackley, 2 pm July 8th.

BOWKER - On June 30th, Robin Marsland, beloved husband of Mary, father of Christina, Ian, Annabel and Robin and devoted grandfather. Funeral Holy Trinity Church, Bosham, 11 o'clock Wednesday July 9th. No flowers. Donations if desired to Rheumatoid Arthritis Research c/o Edward White, South Pallant, Chichester.

BROOKS - Lieutenant Commander Royal Navy, on June 28th suddenly but peacefully at home. Peter John beloved husband of Celia after a long and brave fight against rheumatoid arthritis. Service at Portchester Crematorium (Hants) Tuesday July 8th 1997 at 2.30 pm. Family flowers only, but donations if desired to Arthritis & Rheumatism Council or F.D.S.A. c/o Barrells F.D, 245 Fratton Road, Portsmouth, PO1 5PA.

CHAMPION - Peacefully after an illness faced with fortitude and great courage, Robert Everard Champion, of Henley-on-Thames (late of Worksop, Notts.), aged 53 years. A kind and gentle man loved by his family and friends. Funeral Service at Harpsden Church, near Henley-on-Thames, tomorrow Friday 4th July at 2.30 pm. Enquiries: Tomalin & Son (01491) 573370.

COLEMAN - Nidia Lidia Artimisia (née Ribulfi), qualified nurse and midwife, died peacefully on 26th June aged 80 at Howard House Home for Retired Nurses. Service at St Joseph's R.C. Church, Chalfont St Peter, at 2 pm on 8th July, followed by cremation at Amersham Crematorium. Flowers or donations to Howard House c/o H.C. Grimstead, Churchfield Road, Chalfont St Peter, Bucks. SL9 9EW, (01753) 891200.

DEATHS

CROWE - Dame Sylvia aged 95 years on June 30th 1997 at St Mary's Hospital, Paddington. The much loved sister of the late Harry, also the loved sister-in-law of Roxane and dearest aunt to Simon and his family. A private burial service will be held at St Mary's Church, Banbury, on 10th July at 2.30 pm. A Memorial Service will be held later in the year in London. Will those wishing to be advised of the date please contact Trinder Funeral Service of Banbury, Oxon., tel: (01295) 272207.

DUTHOIT - Miss Cecily M.G. Duthoit MA (Oxon) ADS, Naturalist. Dear friend of Miss P. Hesketh-Williams. Passed away 28th June 1997. Funeral at Oxford Crematorium 11 am 4th July 1997. All enquiries F.J. Wilson, Haddenham, (01844) 291200.

HART - Eileen, dearly beloved widow of Norman and dearly loved mother of Colin, Myles and Penny died peacefully in her sleep on 2nd July. The Cremation will take place at Chilterns Crematorium, Wilsdon Lane, Amersham, Bucks. at 11.30 am on Tuesday 8th July. No flowers.

LYNE - Edith Audrey (née Nicks), on June 26th 1997, peacefully at St Thomas' Hospital, London, aged 72, after a long and brave fight. So dearly loved mother of Michael, grandmother of Charlotte, sister, aunt, cousin and mother-in-law. Previously Women's Auxiliary Air Force (1944-46) and under the professional name of Hicks, a member of The Ballroom Faculty of the International Dance Teachers' Association (from 1948) and The Imperial Society of Teachers of Dancing (from 1962). Funeral Service at Eltham Crematorium on July 10th at 11.45 am. Enquiries and flowers to Francis Chappell and Sons, 231 High Street, Bromley, Kent. 0181 460 1720.

MARGRAVE - Betty Maureen on June 28th in Cumberland Infirmary, late Standland and Co. Ltd., Boat Builders, Thorne, aged 71 years. Beloved wife of the late Roland Margrave, a loving mother of Richard and June and a dear grandmother. Funeral Service at Thorne Parish Church on Friday July 4th at 2 pm, prior to interment. Enquiries Richard Walker Funeral Directors, (01405) 812281.

NAGY - On 28th June 1997 in hospital in Toulon, Imre László Nagy, beloved husband of Jeannie Livingstone-Learmonth and indispensible friend to so many. Requiescat in Pace.

POTTS - George Barrass, suddenly at home in Clare on 29th June 1997 aged 78. Dearest husband of Barbara and of the late Joan. Requiem Mass at Clare Priory, on Tuesday, 8th July at 2.30 pm to be followed by interment. Flowers welcome or donations if desired for the British Heart Foundation may be sent to H.J. Palmin Ltd., 60 Withersfield Road, Haverhill, Suffolk CB9 9HE.

RIBUFFI - See Coleman.

REAY - On July 1st 1997 peacefully at a nursing home in Cobham, Surrey, Beatrice Reay aged 92 years. Wife of the late Basil Reay and much loved mother, grandmother and great-grandmother. Funeral Service will be held at Randalls Park Crematorium, Leatherhead, on Friday July 11th at 2.30 pm. Donations if desired to The British Heart Foundation, 14 Fitzhardinge Street, London W1H 4DH.

ROBERTSON - Robert Hope. Peacefully on Sunday 29th June 1997 at Ayrshire Central Hospital aged 81. Dearest husband of Kit Robertson, father of Susan, Andrew and Barbara and grandfather of Lily. Family service, and burial in Moffat, privately on Monday 7th July. Memorial Service will be held at Shelmorlie South Church on Friday 11th July at 11 am. Flowers to P.B. Wright, Greenock (01475) 724248.

WEDDLE - Professor Arnold Edgar, past President of The Landscape Institute. Suddenly, with friends, on 28th June 1997. A much loved father and grandfather. He was preceded by his wife, Beryl, on 10th June 1997.

WILLIAMS - Kenneth Lindsley, on June 26th, beloved husband of Hazel and dear father of Stephen and Judy. Funeral Service at St Nicholas Church, Thames Ditton, July 8th at 11 am. Family flowers only, donations, if desired, to the R.N.L.I. c/o F.W. Paine, 71 Walton Road, East Molesey, Surrey KT8 0DP.

WOODS - Wing Commander William, beloved husband of Cynthia, much loved father of David, Richard and Lis and grandad of Mandy and Jen. Died peacefully on 2nd July at Petersfield Hospital. Service and cremation at Chichester Crematorium at 12 noon on Tuesday 8th July. Flowers to Funeral Services (Petersfield) Ltd., 19 The Square, Petersfield, Hants, GU32 3HR.

THANKSGIVING SERVICES

CAWS - Richard Byron Caws CVO CBE FRICS, 9th March 1927

OBITUARIES

ROBERT MITCHUM

Robert Mitchum, film actor, died in Los Angeles on July 1 aged 79. He was born in Bridgeport, Connecticut, on August 6, 1917.

As he showed when he took on the role Dick Powell had created in the 1944 version of *Farewell, My Lovely* for the 1975 remake, Robert Mitchum was one of the great Hollywood stars of the postwar era. Though at 58 he was a good deal too old for the role of Raymond Chandler's world-weary detective, Philip Marlowe, Mitchum's amused cynicism suited the part to perfection. His was the definitive Philip Marlowe in a film which recreated the atmosphere of 1940s Los Angeles with total conviction.

The extraordinary thing about Mitchum was that his achievements were consistently undervalued. The fault was partly his, for he made acting look so effortless and natural that it was easy to conclude that he was not acting at all.

It was a myth he helped to encourage, affecting to hold a low opinion of his craft and once declaring that he had only two acting styles — with and without a horse. His hundred or so films included a high proportion of dross but he could lift the most feeble material and almost never gave a routine performance. And given a sympathetic director and cameraman and a strong script, he could produce performances of unforgettable power of which his murderous preacher in Charles Laughton's *The Night of the Hunter* (1955) was probably the finest. It is quite inexplicable that he never won an Oscar.

A gift for impressionists, Mitchum was a big man with sleepy eyes, a laconic voice and drooping shoulders whose world-weary cynicism was often laced with dry humour. He could be menacing or charming and was sometimes both at once.

Before the cameras he was the complete professional, always word-perfect and generous to his fellow actors. Off screen he gained the reputation, not entirely undeserved, of being a difficult and volatile character who was fond of a drink and merciless towards anyone he decided was an idiot.

Over the years he was manna to the gossip columnists. In 1948 he was convicted of smoking marijuana and served 60 days in prison. At the Cannes Film Festival in 1954 he was photographed on the beach with a bare-breasted actress, though the girl had contrived the incident to get herself publicity.

In 1955 Mitchum sued *Confidential* magazine over a story that he had stripped off at a masquerade party, doused himself in ketchup and announced that he was a hamburger. Not unnaturally, he developed a strong suspicion of the media and his interviews were usually terse and unrevealing.

Robert Charles Mitchum was only 18 months old when his father was killed in a railway accident. He had an unsettled childhood, as the family moved from town to town, trying to scrape a living.

A rebellious youth, he often ran away from home and school, and he was frequently in trouble with the police. At 16 he was arrested for vagrancy and sentenced to a week in jail, which he actually spent in a Georgia chaingang. As a teenager he travelled America, sleeping rough and taking any sort of job that came along. Among them were longshoreman, truck loader, dishwasher and heavyweight boxer. Eventually, at the prompting of his sister, he joined a theatre company in Long Beach, California, where he not only acted but showed creative ability by writing plays and directing them.

He married his childhood sweetheart Dorothy Spence and was working in the Lockheed aircraft factory when, in 1943, he decided to try his luck in Hollywood. He was taken on and made his film debut in a Hopalong Cassidy western. Over the next two years he appeared in more than twenty films, usually as a villain who gets his comeuppance, and showed enough promise for RKO to offer him a long-term contract.



In familiar haunts: Philip Marlowe (Robert Mitchum) seeks vital information from an LA bar keeper

The studio's speciality was the low budget "black" thriller, the film noir for which Mitchum's intense and moody presence made him an ideal leading man. Although little regarded at the time, films like *The Locket*, with its maze of flashbacks, and *Out of the Past*, in which Mitchum played a private eye ensnared by a no-good woman, are now regarded as classics of the genre. But the first film to gain him wide recognition was made outside RKO. William Wellman's study of ordinary men at war, *The Story of GI Joe* (1945). Mitchum's portrayal of the battle-scarred infantry officer Lieutenant Walker gained him his only Oscar nomination.

In a different vein he was equally effective as the avenging cowboy of Raoul Walsh's psychological western, *Pursued* (1947), and in Nicholas Ray's rodeo drama, *The Lusty Men* (1952). By the early 1950s he could leave RKO and go freelance. He celebrated by co-starring with Marilyn Monroe in *River of No Return* (1954).

Two contrasting films of the 1950s confirmed Mitchum's quality and range. His psychopathic priest in *The Night of the Hunter* remains one of the most formidable studies of evil that has ever appeared on the screen. In *Heaven Knows, Mr Allison* (1957) he played a tough Marine marooned on a Pacific island with Deborah Kerr's nun, and saved a potentially mawkish picture with his unsentimental acting.

He appeared with Kerr again in Fred Zinnemann's *The Sundowners* (1960), a story of sheepdrovers in Australia, and *The Grass Is Greener* (1960), an untypical venture into drawing-room comedy. In *Cape Fear* (1962) he gave another chilling study of evil, as an ex-convict terrorising the family of the lawyer who sent him to jail. The highlight of his work during the 1960s was the drunken sheriff in the Howard Hawks western *El Dorado* (1967). It was a performance Mitchum could easily have spoilt by overacting, but his playing was a model of subtlety and restraint.

His scenes with another veteran, John Wayne, were deliciously effective. Despite unlikely casting as the hesitant Irish schoolteacher in David Lean's *Ryan's Daughter* (1970), Mitchum came near to stealing the film as he gave yet another demonstration of his ability to dominate the screen with the minimum effort.

Although professing to be in semi-retirement, Mitchum remained active throughout the 1970s and continued to turn in excellent performances. The pick were his ageing gangster in *The Friends of Eddie Coyle* (1973) and, of course, Philip Marlowe in *Farewell, My Lovely*. He returned to *Cape Fear* in the Martin Scorsese remake of 1991, but this time on the side of the terrorised lawyer, in a cameo role as one of his advisers.

Although he never won an Oscar, Mitchum was honoured by the film industry with a Special Lifetime's Achievement Award at the 1992 Golden Globes ceremony. The standing ovation he received at the Beverly Hills Hilton testified to the affection with which he was held in the cinema world.

In the 1980s, with his large-screen career gradually winding down, Mitchum enjoyed a second wind on American television, scoring considerable popular success in several well-crafted series. These included the impressive *The Winds of War* (1983), a saga of the events leading up to the Second World War in which he played a US Navy officer; *North and South* (1985), an American Civil War costume drama, somewhat unkindly described by one critic as "*Dynasty* in fancy dress"; and *War and Remembrance* (1988), in which he returned to his senior naval officer role, adding an impressive dimension of war-weariness to a character who also radiated an unfamilar kindness. All three series enjoyed great success on this side of the Atlantic as well as in America.

Hard drinking and heavy smoking took their toll of Mitchum's health and in the last ten years of his life he suffered from emphysema and liver damage. When admonished by doctors and concerned friends about his consumption of cigarettes, tequila and gin, he responded with a characteristic verbal shrug of the shoulders: "Well, you gotta die of something." It was entirely of a piece with his persona on and off the screen.

Robert Mitchum was married in 1940 to Dorothy Spence and they enjoyed one of Hollywood's more durable partnerships, in spite of brief separations in 1948 and 1953. They had three children: two sons James and Christopher, who both followed him into films though with only moderate success, and a daughter, Petrine.

PROFESSOR PETER HEATH

Peter Heath, FRS, Professor of Horticulture, died on June 16 aged 93. He was born on July 26, 1903.

ALWAYS known as Peter, Oscar Victor Sayer Heath was the son of Professor Sir Frank Heath, administrator at Imperial College and Professor of English. Like his father and in due course his own son — all three of them professors — Peter was regarded as a late developer. Similar genetic problems in the fourth generation have been diagnosed as dyslexia but the family history suggests they can be overcome.

After learning to read by the Dale method at the age of seven, Peter attended schools in Wimbledon and Hampstead. Not being a strong child, he was subsequently educated by private tutors, who somewhat neglected mathematics and the sciences. They left him a good deal of time, however, to devote to reading and natural history.

When he was 13 his parents moved to Ruislip, Middlesex, where he found the fields and woods, the reservoir and the River Pinn sources of great delight. The waterfowl, plants and insects enchanted him, and he collected lepidoptera and beetles, and pressed flowers.

The following year his eyesight was tested, and severe astigmatism as well as long-sightedness were diagnosed. Glasses were a revelation for him, as he saw fine detail for the first time.

In 1919, he, his brother Raymond and their father all acquired motorcycles (including one from the machinegun corps), and Peter experimented with a home-made snorkel (with a cork float at the top) to enable him to explore the riverbed. He used to spend



hours devising and constructing mechanical and electrical gadgets with his lifelong friend Eric Whitcher, who was to become an electrical engineer. These contraptions usually began with the instruction "take one syrup tin . . ."

In 1921 he was admitted to Imperial College, where his potential was soon recognised. He was, he wrote, "deeply shocked" in the physics laboratory to find that "many of the students started with the correct result, added or subtracted about 5 per cent and worked back to produce fictitious data".

For his 21st birthday, Heath was given a microscope by his parents, and shortly afterwards he got his first and won the Forbes Memorial Prize and Medal as the student "most proficient in biology".

After working for Professor J.B. Farmer and at Imperial College's Research Institute of Plant Physiology at Rothamsted, he won a research scholarship from the Empire Cotton Growing Corporation, which sent him to Trinidad to study tropical agriculture and medicine, economics, crop botany and soil science.

In 1927 he took the post of plant physiologist at Barberton, South Africa, but stipulated that he would not be confined to purely empirical work but would also be allowed to try to find out how plants work. From a corrugated iron shed, he and a colleague worked on culture experiments with cotton. The colleague had what Heath called "a very rectangular mind", and the layouts were rigorously systematic. Finally, Heath persuaded him that they must introduce an element of randomness, and the colleague accordingly numbered a set of wooden buttons, shook them and removed them one by one. When he opened his eyes they read "1, 2, 3, 4, 5, 6". Heath began to teach himself probability and statistics.

On leave from his nine years in South Africa, in 1930, he met and married Sarah Bumstead, known as Sally, with whom he was to spend the next 54 years.

Over the next few years he felt his scientific isolation at Barberton more and more acutely, and in 1936 he moved back to England and Imperial College, to continue the work of R. G. Newton on the relations between stomatal movement and photosynthesis. In 1942 he was awarded a doctorate *summa cum laude*, and in 1948 he was elected to the council of the Society for Experimental Biology.

From Imperial College he was appointed to the Chair of Horticulture at Reading in 1957, and three years later he was elected a Fellow of the Royal Society. Retiring in 1969, he published *The Physiological Aspects of Photosynthesis*, followed by *Investigation by Experiment* (1970), which has been translated into several languages, and *Stomata* (1975).

In retirement he continued writing, walking and enjoying international folk dancing, as well as looking after his wife in her illness. She died in 1984. He is survived by two sons and a daughter.

PRUE NAPIER

Prudence Napier, primatologist, died on June 6 aged 81. She was born on March 15, 1916.

PRUE NAPIER was one of Britain's most eminent primatologists, and the world's leading expert on the taxonomy and classification of primates. She was the widow of the founder of the field, Professor John Russell Napier.

Prudence Hero Rutherford was born in Liverpool, the daughter of the MP for Liverpool North. She went to school at Roedean, but showed no particular academic aptitude. However, she excelled at sports, and went on to play lacrosse for England in 1932. She was also an avid climber and skier, in the days before "downhill only".

In 1936, she met John Napier, a charming, penniless medical student with a special interest in the anatomy of the hand. He was convinced that human functional anatomy could not be properly understood without a knowledge of our closest animal relatives, the non-human primates (lemurs, monkeys and apes). He founded the first centre devoted to the study of these primates, the Unit of Primatology at the Royal Free Hospital School of Medicine. There are now many such centres, worldwide, most using the term "Primatology", which he originated.

Shortly after the war, Prue Napier had two children, but as they grew up she joined her husband as secretary and laboratory assistant (her children well remember returning home to find the house smelling of boiling monkey bones). Soon, however, she had become a researcher in her own right. The combination of her knowledge and love of fine writing — she doted on Henry James — and John's analytical skills resulted in *A Handbook of the Living Primates* (1967), which was the first book of its kind and is still regarded as authoritative.

Three years later the couple



edited the proceedings of a conference they had organised, and published it as *Old World Monkeys*. Prudence soon followed this with the primate primer *Monkeys and Apes* (1970) and two more advanced works, *Chimpanzees* (1974) and *Lorises, Lemurs and Bushbabies* (1977).

As a result of her research, she became increasingly interested in comparative anatomy and taxonomy. Returning to Britain from the Smithsonian Institution in Washington, where John had set up the Department of Primatology, she began work in the Natural History Museum on a catalogue of its primates. She produced three volumes: *Families Callitrichidae and Cebidae* (1976), *Family Cercophithecidae, Subfamily Cercopithecinae* (1981) and *Family Cercophithecidae, Subfamily Columbinae* (1985). The series came to incorporate specimens from other British collections, and the catalogues became increasingly detailed and revisionary, incorporating cautious but insightful changes and commentaries. From being an interested amateur, Prue Napier had become an expert consulted by zoologists the world over.

The couple moved to the Isle of Mull in 1982, and published their last book in 1985. *The Natural History of the Primates* is still considered the ideal textbook for university courses, and remains unequalled in its successful combination of simplicity with rigorous analysis.

John and Prudence Napier acted as informal consultants to many zoos, especially Twycross Zoo in Leicestershire, with its top-rank collection of primates. For some years John was president of Twycross, and after his death in 1987 Prue succeeded him, as well as continuing to update their works.

She is survived by their two sons.

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DISORDER IN COMMONS

LABOUR M.P. EJECTED

WESTMINSTER, Thursday.

An extraordinary scene marred the sitting of the House of Commons this afternoon, when a Glasgow member who had defied the Chair was forcibly removed. The disturbance took place at question time, when Mr. McGovern, a Left Wing Labour member, pressed Mr. Adamson, the Secretary for Scotland, to order the immediate release of two men who had been sentenced to imprisonment for taking part in demonstrations on Glasgow Green without the requisite permission of the public authority. Dissatisfied with the Minister's undertaking to investigate the case, Mr. McGovern disobeyed the rule of the House by refusing persistently to resume his seat when ordered to do so by the Chair. He was named by the Speaker, and the Prime Minister immediately moved that the member should be suspended. "The only thing you can do," Mr. McGovern shouted. The motion for suspension, challenged by a small minority of the Labour members, was carried by 315 votes to 16.

The Speaker then announced that Mr. McGovern was suspended from the service of the House. The member refused to withdraw, and the Speaker ordered the Serjeant-at-Arms to remove him. The Serjeant-at-Arms made his way along the bench to the place where Mr. McGovern sat among the Left Wing Labour members and asked him to leave the Chamber. This request was ignored. Four of the House officials then approached Mr. McGovern and, after he had again refused to leave, they began to eject him forcibly.

An ugly scene of violence then began. A few of Mr. McGovern's colleagues tried to prevent his removal. Mr. Beckett sprang from behind upon one of the attendants and dragged him back. Mr. Kinley, another Left Wing Labour member, also tried to protect Mr. McGovern who appeared, so far as could be seen from the Press Gallery, to be resisting. Official reinforcements arrived, and one of the officers gripped Mr. Beckett from behind. For a few minutes there was a swaying group of struggling men moving slowly towards the door. It was not easy to distinguish what was happening, but it became clear that the officers had overcome the resistance. Just before Mr. McGovern was forced out of the door of the Chamber Mr. Beckett was knocked down in the struggle.

In the middle of this disturbance the Speaker suspended the sitting and left the Chair. During all this time the House, as a whole, showed complete restraint. When the struggle was over members surged on to the floor, but there was no demonstration. After an interval members resumed their places and they stood as the Speaker returned. He announced immediately that the member who had been removed was suspended for the remainder of the Session.

After this extraordinary interruption the House resumed its business. Mr. Thomas stated that the Government could not agree to the amalgamation of Northern and Southern Rhodesia . . .

ON THIS DAY

July 3, 1931

John McGovern was an MP for 29 years and long regarded as the "stormy petrel" of politics. He was suspended more than once and in 1931 was twice arrested. In later years he mellowed and became active in the Moral Re-Armament movement.

NEWS

Brown serves up windfall cash

■ Gordon Brown produced an unexpected £3 billion boost for schools and hospitals in a radical tax-raising Budget that included a five-year stability plan to end the years of boom-and-bust. He hit big business, with a £5 billion windfall tax on 30 companies, and pension funds and future pensioners with the scrapping of tax relief on dividend income..... **Pages 1, 9-20**

Speech in full, pages 16-17

Pension values could fall

■ Millions of people who belong to pension schemes could see the value of their pensions fall as a result of the abolition of tax credits paid to pension funds. The move will produce an extra £5 billion ..... **Page 1**

City expects interest rate rise

■ The City is braced for an immediate rise in interest rates after concluding that the Chancellor's tax raising Budget measures would not slow the booming economy..... **Page 1**

More cash for education and NHS

■ Education was the surprise winner, securing an extra £2.3 billion for schools at a time when other public services have been denied their annual spending negotiations. And the NHS was given an unexpected present of £1.2 billion..... **Page 9**

Private health care tax shock

■ Abolishing tax relief on private medical insurance for the over-60s might not save the Treasury any money, insurers said, because the cost would be put on the NHS. The cost of the tax relief was £140 million a year ..... **Page 10**

Welfare to work package

■ Young people will lose at least 60 per cent of their benefit if they fail to take a job or training place under the £3.5 billion Welfare to Work package..... **Page 11**

Mortgage tax sigh of relief

The Chancellor's decision to limit any further inroads into mortgage tax relief, by which the Government subsidises house purchases, was greeted with frank relief by the housebuilding industry ..... **Page 13**

Teachers warned

A failing school has warned half its staff they will be sacked at Christmas unless they meet improvement targets..... **Page 2**

London gospel

The British Library rejected a call for the Lindisfarne Gospels to be repatriated to the north-east monastery in which they were created in the seventh century ..... **Page 2**

Henman triumph

Wimbledon rarely witnesses crowd scenes such as those that greeted Tim Henman after a victory he described as his best ever ..... **Pages 1, 3**

Terrorists jailed

Six terrorists were each jailed for 35 years at the Old Bailey yesterday for plotting to blow up London's electricity ..... **Page 4**

Bird's eye view

An eagle owl has landed at St Paul's Cathedral — attracted by the plentiful supply of pigeons and the crevices of Sir Christopher Wren's masterpiece.. **Page 7**

EU beef action

Britain is facing the threat of legal action for violating the worldwide ban on the export of beef imposed by the EU 15 months ago. **Page 8**

Mars mission

NASA hopes its luck will change for the better tomorrow with an unprecedented space spectacular from America's latest mission to Mars ..... **Page 21**

Chinese corruption

Corruption is a vital part of doing big business in China, though no businessman will ever admit that he has oiled the wheels... **Page 21**

ADRIAN SHERRATT



A policewoman with an anti-pollution mask meets an elegant visitor to the first day of the Henley Royal Regatta. Pages 53, 54

BUSINESS

Lloyd's of London choose Max Taylor as the new chairman of the insurance market. Mr Taylor is director of Willis Corroon, the insurance brokers..... **Page 30**

Healthcare: Generale des Eaux, the French group, has sold its healthcare operations in what has become the largest management buyout of the decade..... **Page 34**

Directors' pay: National Power fuelled a fresh storm over executive pay after it revealed that its chief executive was paid more than £100,000 to move house from Surrey to Berkshire..... **Page 29**

Markets: The FTSE 100 rose 23.1 to 4751.4. Sterling was unchanged at 101.7 after falling from $1.6580 to $1.6510 and rising from DM2.8846 to DM2.8907 ..... **Page 32**

SPORT

Tennis: Two sixteen-year-olds, Martina Hingis, the top seed and world No 1, and Anna Kournikova, the unseeded Russian, meet in the semi-finals of the women's singles at Wimbledon ..... **Page 56**

Cricket: England must resist a rising tide of Australian confidence going into the third Test if they are to carry their lead into the second half of the Ashes..... **Page 50**

Rowing: Peter Haining, the triple world lightweight champion, came safely through his heat in the Diamond Sculls on the opening day of Henley Royal Regatta..... **Page 53**

Rugby union: Keith Wood and Alan Tait, who have played in both the Lions' internationals against South Africa, have been ruled out of the final match..... **Page 53**

ARTS

Classic romance: Best of the week's new films is *One Fine Day*, an old-fashioned comedy perfectly played by George Clooney and Michelle Pfeiffer as bemused single parents..... **Page 38**

Family affair: The screen actress Gena Rowlands was given her best roles by her husband, director John Cassavetes. Now their son Nick has created a part for her. **Page 39**

Racy course: In Cheltenham the composer Michael Berkeley is giving one of Britain's oldest music festivals some new fizz, with two dozen world premieres..... **Page 40**

Turner's Tallulah: One good actress, Kathleen Turner, gets inside the skin of another, Tallulah Bankhead, in the play by Sandra Ryan Heyward ..... **Page 41**

FEATURES

Smoke alarm: Dr Thomas Stuttaford asks whether cigarette smokers should switch to pipes and cigars; morphia and pain relief; thyroid screening ..... **Page 22**

Rich, richer: Since 1994, when Jennifer Aniston landed the role of Rachel in *Friends*, she has ridden a magic carpet of success. Jason Cowley talks to her..... **Page 23**

BOOKS

Wild call: Malcolm Bradbury on the life of Jack London; Lewis Wolpert on the chemicals that change nature; critics choose summer reading ..... **Page 42, 43**

TRAVEL

Boom time: Hong Kong braces itself for an increase in visitors of 30 per cent in three years..... **Page 44**

Bargains: A week in China from £515; a student's Europe air pass for less than £60 and a Japanese package for £688..... **Page 45**

THE NETHERLANDS

If the law is without any real power over the Net, then it is necessary to find elsewhere — in international, and if possible universal, agreements — the source of regulations which can no longer emanate from the old nation state. The attitude of laissez-faire is an indispensable beginning. It does not signal the end of necessary inventions.

Liberation, Paris



TOMORROW

IN THE TIMES

■ **POP**
Meredith Brooks is the latest Angry Young Woman: Alan Jackson talks to a new hitmaker

■ **EDUCATION**
John Rae on the crisis of headship: why some of the policy proposals won't work

TV AND RADIO

Preview: Jonathan Dimbleby assesses Chris Patten's years in Hong Kong. *The Last Governor* (BBC1, 10.10pm). **Review:** Joe Joseph wonders whether Rolf Harris is turning into Colonel Sanders.. **Pages 54, 55**

OPINION

Brown in business

Brown has found more money for health and education, addressed the problem of the underclass, and set out on a prudent fiscal path. This Budget should be popular. It deserves to be ..... **Page 25**

Transition in Tirana

The international community may have hoped that the elections in Albania would end the need for outside involvement in Europe's poorest nation. That ambition is unlikely to be realised..... **Page 25**

Unholy row

The British Library should be generous in letting the Lindisfarne Gospels go to Durham on loan, perhaps on a regular pilgrimage of grace ..... **Page 25**

COLUMNS

WILLIAM REES-MOGG

Heath, Howe and Heseltine are on the side of the big battalions, both in Europe and in Asia. They are not on the side of democracy and independence..... **Page 24**

PETER RIDDELL

Being Iron Chancellor is not enough, you have to show you care as well..... **Page 24**

TIM CONGDON

Gordon Brown claims to have changed the incentives facing management, encouraging investment for the national interest. The truth is rather different ..... **Page 24**

MATTHEW PARRIS

This was the ultimate in deflationary Budgets. It deflated the Tories, punctured the Liberal Democrats and flattened critics..... **Page 12**

OBITUARIES

Robert Mitchum, actor; **Peter Heath**, Professor of Horticulture; **Prue Napier**, primatologist **Page 27**

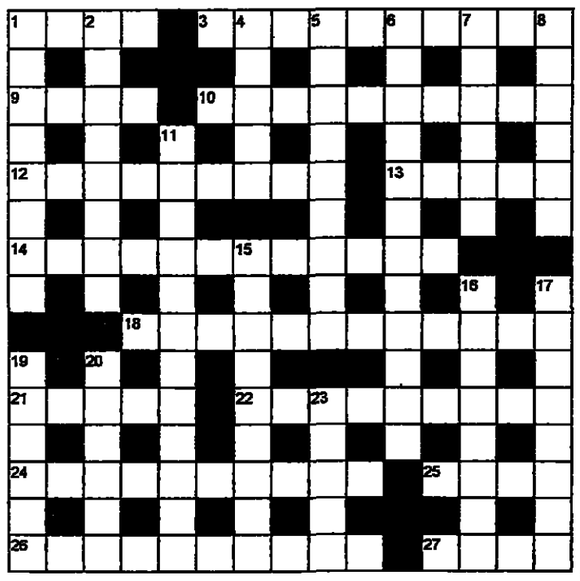
LETTERS

Orange Order marches; foreign aid; call for debate on cannabis laws; fossil fuel tax..... **Page 21**

LOTTERY NUMBERS

6, 10, 18, 22, 41, 45. Bonus: 29
Estimated jackpot is £14,300,000.

THE TIMES CROSSWORD NO 20,522



ACROSS

1 Wrestling ring needs amount of money up front (4).
3 Instructional aid to go on jet initially (10).
9 Item included by Royal Society (4).
10 Somehow got runs in play, initially (not cricket) (10).
12 What you're doing could be bother! (9).
13 Allow learner in to match another's performance on course (5).
14 Men involved with a new party in which line's laid down (9,3).
18 Journalists producing article on crew, say (6,6).
21 Historic mission in style of 2 (5).
22 Annoyance about backward girl, one who is hopeless? (9).
24 Sells off cheaply what's left after shares are distributed (10).
25 Moor by river bank (4).
26 Food of variable quality guest handled with grace? (7,3).
27 Good line to develop (4).

DOWN

1 Main picture (8).
2 Fail to understand our current state (8).
4 How to score slowly or fast at the Oval (5).
5 Head wife's old-fashioned language (4,5).
6 Emperor's new outfit for annual celebration? (8,4).
7 A verse pointlessly written with enthusiasm (6).
8 Bend to drive round? Follow new driver, say (6).
11 He's not bound to finish his act successfully (12).
15 Great man of theatre collapses i.e. dries up (9).
16 Well-known demon (8).
17 A project man's taken on to create airport (8).
19 Material that's super and exquisite not hard to find (6).
20 Utterly defeat in a field event (6).
23 Second short broadcast, a little one (5).

Times Two Crossword, page 56

Solution to Puzzle No 20,521

S	I	G	H	S		Q	U	A	D	R	I	L	L	E
O	R	E	U		V	A		O		S				
F	R	A	N	C	H	I	S	E		T	E	N	E	T
T		V		A		N		R		H		D		O
E	V	E	N	T		I	N		T	H	E		S	O	U	P
N			E		N		E			N				
I	N	T	R	U	D	E		D	I	S	S	E	N	T
N		E		R				O		R				
G	E	N	E	S	I	S		C	E	L	E	S	T	E
		T			T	H	I			A				
B	L	A	S	P	H	E	M	E		T	R	A	C	T
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L	A	I	R	S		A	P	P	O	I	N	T	E	E
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Edinburgh 10.00 pm to 4.34 am
Manchester 9.40 pm to 4.47 am
Penzance 9.35 pm to 5.19 am

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FORECAST

☐ **General:** the west of England and Wales will be cloudy with some light rain, heavier over hills, and only a few bright spells. Eastern England will be sunny with showers.

Southern and central Scotland, and Northern Ireland, will have a mix of sunny periods and showers. Northern Scotland will be cloudy but mostly dry.

☐ **London, SE England, E Anglia, Central S England, E Midlands, E England, W Midlands, Channel Isles:** sunny spells, showers later. Wind light to moderate, south or southwest. Max 68F (20C).

☐ **SW England, S Wales, N Wales, NW England, Lake District:** cloudy with outbreaks of light rain, heavier over hills. Wind light to moderate, west to southwest. Max 57F (17C)

☐ **Central N England, NE England, Borders, Edinburgh & Dundee:** mostly dry with sunny spells, some showers later. Wind light, southeast. Max 63F (17C).

☐ **Isle of Man, SW Scotland, Glasgow, Central Highlands, Argyll:** sunny spells, some showers. Wind light, variable. Max 63F (17C).

☐ **Aberdeen, Moray Firth, NE Orkney, Shetland:** cloudy and dry, some drizzle in Shetland. Wind light, southeast. Max 61F (16C).

☐ **NW Scotland:** dry and sunny, cloudy later. Wind light to moderate, north to northwest. Max 63F (17C).

☐ **N Ireland:** sunny spells, scattered afternoon showers. Wind light to moderate, northwest. Max 63F (17C).

☐ **Outlook:** sunshine and showers.

☐ **Pollen:** moderate in all areas except East Anglia and SE Scotland, where it will be high, and London and N Scotland, where it will be low. (Forecast supplied by the Pollen Research Unit)

AROUND BRITAIN YESTERDAY

24 hrs to 5 pm: b=bright; c=cloud; d=drizzle; du=dust storm; du=dull; f=fair; fg=fog; g=gale; h=hail; r=rain; sh=shower; sl=sleet; sn=snow; s=sun; t=thunder

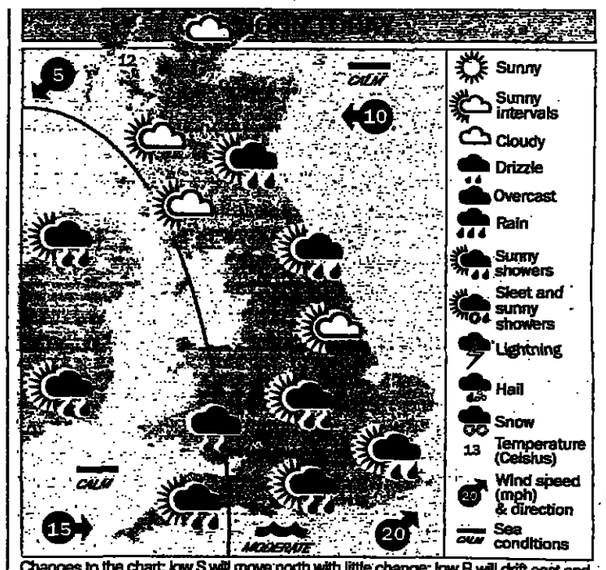
	Sun hrs	Rain in	C	Map F			Sun hrs	Rain in	C	Map F	
Aberdeen	4.2	0.03	15	59	b	Leeds	11	0.01	17	63	sh
Anglesey	0.2	0.26	13	55	r	Lerwick	1.3	0.02	14	57	b
Aspatria	.	0.11	14	57	r	Leuchars	1.0	0.01	14	57	r
Aviemore	1.9	0.45	15	59	c	Littlehmptn	9.7	0.09	16	61	t
Belfast	.	0.12	15	59	r	London	6.9	.	19	66	b
Birmingham	2.7	0.11	17	63	sh	Lowestoft	9.2	0.01	17	63	b
Bognor R	10.1	0.01	17	63	s	Manchester	2.5	0.01	18	64	c
Bristol	0.7	0.08	15	59	d	Margate	6.8	0.02	18	64	r
Buxton	2.3	0.06	16	61	b	Minehead	6.3	0.05	15	59	sh
Cardiff	4.8	0.02	15	59	sh	Morecambe	2.5	0.01	15	59	b
Clacton	X	0.02	15	59	s	Newcastle	4.4	0.02	15	59	s
Cleethorpes	6.0	0.02	18	64	b	Norwich	9.8	0.13	18	64	s
Colwyn Bay	0.9	0.15	13	55	c	Oxford	4.6	0.07	14	57	b
Cromer	8.6	0.32	19	66	s	Penzance	X	0.10	13	55	c
Eastbourne	11.2	.	17	63	s	Prestatyn	X	0.06	15	59	sh
Edinburgh	.	0.01	15	59	sh	Ross-on-wye	1.1	.	16	61	c
Eskdalemuir	0.3	0.15	14	57	c	Salcombe	5.0	0.11	14	57	b
Exmouth	2.0	0.08	13	55	sh	Saunton Snd	.	0.11	13	55	r
Falmouth	1.5	0.10	12	54	d	Scarboro'	5.3	0.06	16	61	b
Fishguard	.	0.46	11	52	r	Shanklin	10.2	0.13	16	61	sh
Folkestone	8.6	0.01	17	63	r	Skegness	7.9	0.02	17	63	sh
Glasgow	.	0.01	14	57	r	Southend	8.2	0.01	17	63	b
Hastings	9.6	.	17	63	s	Stornoway	1.3	0.71	15	59	d
Hayling I.	10.5	0.03	16	61	sh	Swanage	9.9	0.12	16	61	sh
Herne Bay	7.4	0.01	18	64	c	Teignmouth	4.9	0.03	15	59	r
Hove	10.4	.	17	63	b	Tiree	0.9	0.31	14	57	sh
Hunstanton	5.5	0.04	18	64	b	Torquay	3.7	0.05	15	59	b
Isle of Man	0.5	0.19	13	55	r	Ventnor	9.2	0.04	17	63	sh
Jersey	6.5	0.03	16	61	sh	West-s-mare	3.6	0.13	15	59	c
Kinloss	2.8	0.60	18	64	b	Weymouth	7.8	0.01	16	61	s

ABROAD

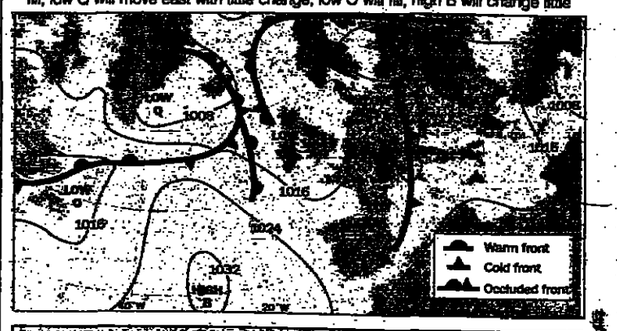
Ajaccio	24	75	s	Corfu	28	82	s	Majorca	26	79	s
Alicante	29	84	s	C'phagn	17	63	r	Malaga	21	70	s
Alex'dria	29	84	s	Dublin	11	52	d	Malta	30	86	s
Algiers	27	81	s	Dubrovnik	25	77	s	Melb'rne	8	46	c
Amst'dm	17	63	f	Faro	20	68	s	Mexico C	19	66	c
Athens	32	90	s	Florence	25	77	f	Miami	33	91	s
B Aires	18	64	s	Frankfurt	15	59	f	Milan	24	75	f
Bahrain	X	.		Funchal	20	68	c	Montreal	30	86	s
Bangkok	32	90	c	Geneva	19	66	s	Moscow	22	72	s
Barbados	29	84	c	Gibraltar	23	73	s	Munich	19	66	f
Barcelona	22	72	f	Helsinki	26	82	s	N Delhi	X	.	
Beirut	29	84	s	Hong K	25	77	r	N York	28	82	s
Belgrade	25	77	f	Innsbruck	19	66	f	Nairobi	20	68	s
Berlin	20	68	f	Istanbul	27	81	s	Naples	27	81	f
Bermuda	26	79	f	Jeddah	39	102	s	Nice	21	70	s
Biarritz	19	66	f	Jo'burg	X	.		Oslo	20	68	f
Borde'x	20	68	f	L Angels	24	75	s	Paris	16	61	f
Brussels	17	63	c	L Palmas	24	75	c	Peking	30	86	s
Budapst	22	72	f	Le Touqt	15	59	f	Perth	17	63	s
Cairo	35	95	s	Lisbon	19	66	f	Prague	20	68	f
Cape Tn	X	.		Locarno	19	66	f	Reykjavik	13	55	r
Ch'church	8	64	X	Luxembg	16	61	f	Rhodes	29	84	s
Chicago	29	84	s	Luxor	42	108	s	Rio de J	19	66	f
Cologne	19	66	c	Madrid	22	72	c	Riyadh	41	106	s
								Rome	24	75	f
								S Fr'sco	19	66	s
								S Paulo	15	59	c
								Salzburg	20	68	f
								Santiago	11	52	s
								Seoul	23	73	r
								Sing'por	26	79	t
								St'kholm	29	84	f
								Strasb'rg	17	63	c
								Sydney	14	57	c
								Tangier	23	73	f
								Tel Aviv	32	90	s
								Tenerife	26	79	s
								Tokyo	28	82	s
								Toronto	22	72	c
								Tunis	25	84	s
								Valencia	26	79	f
								Vanc'ver	15	59	r
								Venice	24	75	f
								Vienna	22	72	f
								Warsaw	24	75	c
								Wash'ton	24	75	f
								Wel'ngton	12	54	X
								Zurich	19	66	s

Temperatures at midday local time on Tuesday X = not available

WEATHER



Changes to the chart: low S will move north with little change; low R will drift east and fill; low Q will move east with little change; low O will fill; high B will change little



TODAY	AM	HT	PM	HT	TODAY	AM	HT	PM	HT
London Bridge	01.24	6.6	13.54	6.8	Leith	02.15	5.2	14.36	5.2
Aberdeen	01.00	4.0	13.23	4.0	Liverpool	11.04	8.6	23.29	9.0
Avonmouth	08.58	12.1	19.16	12.3	Lowestoft	09.21	2.4	21.48	2.4
Belfast	10.54	3.3	23.12	3.4	Margate	.	.	12.00	4.4
Cardiff	08.42	11.2	18.04	11.4	Milford Haven	05.57	6.3	18.21	6.5
Devonport	05.30	5.0	17.56	5.2	Newquay	04.51	6.4	17.14	6.6
Dover	10.54	6.2	23.12	6.3	Oban	05.47	3.5	18.01	3.5
Dublin (N Wall)	11.31	3.9	23.59	4.1	Penzance	04.19	5.0	16.45	5.2
Falmouth	05.01	4.8	17.27	5.0	Portland	06.13	1.7	18.37	1.9
Greenock	.	.	12.33	3.1	Portsmouth	11.11	4.3	22.27	4.5
Harwich	11.42	3.6	.	.	Shoreham	11.02	5.7	23.22	5.8
Holyhead	10.12	5.2	22.36	5.4	Southampton	10.38	4.3	22.59	4.4
Hull (Albert D)	06.08	8.2	18.27	8.2	Swansea	06.00	8.7	18.24	8.8
Ilfracombe	05.41	8.4	18.03	8.6	Tees	03.18	5.1	15.39	5.1
King's Lynn	08.11	6.1	18.32	6.1	Walton-on-N	11.36	3.9	23.57	3.9

All times BST. Heights in metres.

Yesterday: Highest day temp: Weybourne, Norfolk, and Gravesend, Kent, 19C (66F); lowest day max: Cardinham, Cornwall, 11C (52F); highest rainfall: Kinloss, Moray Firth, 0.6in; highest sunshine: Eastbourne, East Sussex, 11.2hr.

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THE TIMES 2

BUSINESS EDITOR Patience Wheatcroft — THURSDAY JULY 3 1997

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Brown Budget wrong-foots City with corporation tax cut

Lowest-ever rate softens dividend tax relief blow

BY MARTIN WALLER AND ALASDAIR MURRAY

GORDON BROWN yesterday wrong-footed the market by unexpectedly cutting corporation tax to its lowest ever level.

The Chancellor used the cut to sweeten the bitter pill of the removal of tax relief on dividends paid to pension funds.

The stock market, which closed before the Chancellor had finished his speech, initially gave a warm welcome to the cut in corporation tax with the FTSE 100 closing up 23.1 points at 4,751.4. But after a second look at the detail of the Budget, City analysts concluded that the corporate sector would actually lose out overall from the Budget.

Dealers predicted that the FTSE 100 index would open 30 to 50 points lower today as investors factored in the extra costs of the Budget and faced up to renewed fears of a rise in interest rates next week.

Douglas McWilliams, of the Centre for Economic and Business Research, estimated that the cut in corporation tax would save companies about £1.6 billion a year but companies would lose around £4 billion in funds because of the cut in dividend tax credits.

Most large companies were so poleaxed by the decision to cut corporation tax, the main tax levied on the corporate sector, by 2 percentage points to 31 per cent that they had difficulty putting together a measured response with any speed.

ICI, by some measures Britains biggest business, described the Chancellor's package as "challenging". Sir Ronald Hampel, the chairman, said: "I am sure that the welcome cut in corporation tax will encourage investment. However, there are doubts about the impact of the abolition of tax credits on companies' investment plans."

While industry would concur with the Chancellor's concern about the strength of sterling, the measures proposed might not do enough to slow down the growth in consumer spending, he added. "This is essential to achieve stability with lower interest rates and to take pressure off sterling."

The pound yesterday soared by over four pfennigs to a post-ERM high of DM2.93 on interest rate rise expectations.

BG, formerly part of British Gas and a victim of the windfall tax, was more positive on the tax front. "As a substantial taxpayer we welcome any lessening of our tax burden and we also welcome measures to encourage investment," the company said.

British Airways was less keen. "The cut will not have a major impact on BA in view of our current planned high investment in aircraft," a spokesman said. "We are still more concerned with the impact in the change in advanced corporation tax on our own pension fund and our pension fund investors.

"Their inability to obtain a repayment of a tax credit will have an impact on their funding requirements."

Joe Dwyer, chairman of George Wimpey, said the Budget was a "pragmatic" one, with a focus on long-term stability, for housing and for the economy as a whole.

Two drinks groups, although negative about the rise in alcohol duty next January, were generally positive about the Budget as a whole.

A spokesman for Allied Domecq said the cut in corporation tax "is good news, particularly as it applies from April 1997. It was the one thing that wasn't really trailed.

"Obviously to some extent it will counterbalance some of the other burdens on industry, such as petrol. It does seem to honour the commitment to make the UK a good place to do business."

Whitbread, however, cautioned that lower tax rates were largely irrelevant to companies that were expanding because of the capital allowances already available that cut the real rate of tax to well below the nominal level. But it would help companies as a whole by offsetting any increase in the cost of pension contributions arising from changes to advanced corporation tax as it affected pension fnds.

David Thomas, Whitbread chief executive, said the macro-effect of the Budget was the most important aspect for his company, and it was positive, with no negative impact for the leisure and hospitality markets.

The British Retail Consortium also gave its broad support to the Budget although it expressed some concern over the tax changes. Ann Robinson, of the BRC, said: "Retailers are especially pleased that the Chancellor has resisted calls for an increase in personal taxation. We don't believe the economy is overheating with retail inflation running at under 1 per cent."

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Leading article, page 25
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Stock market, page 32
Tempus, page 32
Anthony Harris, page 33



Heading for a windfall tax: clockwise from top left — Richard Giordano of BG, Brendon Gough, Sir Desmond Pitcher, Ed Wallis, Robert Horton and Sir Iain Vallance of BT lead companies targeted for the Chancellor's one-off 23 per cent levy

Power chief's £100,000 home removal package

BY CHRISTINE BUCKLEY

ON THE day that Gordon Brown imposed a windfall tax on the utilities, National Power fuelled a fresh storm over executive pay when it revealed that its chief executive was paid more than £100,000 to move home.

Keith Henry, whose total remuneration last year jumped 40 per cent, to £628,021, received a benefits package of £119,821. It is thought that more than £100,000 was to cover the cost of his move from Surrey to Berkshire. Mr Henry negotiated the payment when he joined National Power from Brown & Root two years ago.

Relocation payments are supposed to cover estate agents' fees, stamp duty, removal vans and other costs encountered in moving homes. Mr Henry's arrangement is one of the highest endorsed by a company. He also benefited from a £123,000 annual bonus last year and a £60,000 increase in basic salary, to £385,000.

A spokesman for the company, whose headquarters are in Swindon, said the package was a contractual arrangement and that it had given the fullest exclosure of details.

Last year National Power paid the biggest special dividend in UK corporate history, giving £1.3 billion to shareholders. It attracted criticism in 1994 when John Baker, its chairman, received pay and options worth £1.1 million while the company was still 40 per cent owned by the Government.

David Jones, chief executive of National Grid, the electricity transmission network, enjoyed a 33 per cent pay increase to £332,000, including a £74,000 bonus.

At United Utilities, formed out of the merger of North West Water and Norweb, directors enjoyed substantial pay rises last year to "take account of increased responsibilities". The salary of Sir Desmond Pitcher, chairman, increased £54,000, to £310,000, and he received a £76,000 bonus, while Brian Staples, chief executive, earned £300,000, up £65,000, along with a £142,000 bonus.

BT calls truce after windfall escape

BY ERIC REGULY

BRITISH TELECOM called off its fight with the Labour Government last night after determining that the windfall tax will cost it only £500 million — about half of its own worst-case scenario.

BT is officially reviewing its legal position, but company officials made it clear that challenging the tax in the European courts is now unlikely. A final decision will be made later this month.

Sir Iain Vallance, chairman, said: "BT is disappointed to have been caught up in the windfall levy which, in our case, is a tax on success, not on excess ... Nevertheless, we recognise that a figure in the order of £500 million spread over two years, while not a small sum, is considerably lower than earlier speculation might have suggested."

Most analysts thought that BT would take a tax hit of about £1 billion. Sir Iain last month said he owed it to shareholders to challenge the tax in the European courts if BT "is stung in a big way".

The charge will not push BT into loss. It works out to 4p a share this year and 4p next year, compared to last year's earnings per share of 32.8p. Analysts expect BT shares, which rose 7½p to 457½p yesterday, to rise again today.

A legal challenge would have soured BT's relationsip with Labour. The company hopes Labour will soon lift the ban that prevents it from using its network for live broadcasts. It also hopes to get permission to buy the 40 per cent of Cellnet, the second-largest mobile phone operator, that it does not already own and strike a deal to wire schools to the Internet.

BUSINESS TODAY

STOCK MARKET INDICES

FTSE 100	4751.4	(+23.1)
Yield	3.43%	
FTSE All share	2240.42	(+9.98)
Nikkei	20196.42	(+20.90)
New York:		
Dow Jones	7699.25	(-23.08)*
S&P Composite	893.73	(+2.70)*

US RATE

Federal Funds	5½%*	(5½%)
Long Bond	99²⁸/₃₂*	(99¹⁷/₃₂)
Yield	6.72%*	(6.74%)

LONDON MONEY

3-mth Interbank	6⅞%	(6⅞%)
Lilfe long gilt future (Sep)	114²⁶/₃₂	(114⅛)

STERLING

New York		
$	1.6665*	(1.6587)
London:		
$	1.6508	(1.6582)
DM	2.8898	(2.8853)
FFr	9.7363	(9.7228)
SFr	2.4244	(2.4200)
Yen	188.82	(190.35)
£ Index	101.7	(101.7)

DOLLAR

London:		
DM	1.7552*	(1.7470)
FFr	5.9105*	(5.8870)
SFr	1.4719*	(1.4665)
Yen	114.50*	(114.92)
$ Index	102.8	(102.7)

Tokyo close Yen 114.55

NORTH SEA OIL

Brent 15-day (Sep)	$18.80 ($18.80)

GOLD

London close	$332.35 ($333.75)

* denotes midday trading price

Lloyd's shock

Max Taylor is the new chairman of Lloyd's of London. The appointment shocked the insurance market, which had expected the ruling council to name Jonathan Agnew. **Page 30**

Insurance deal

SUN LIFE and Provincial has struck a deal with AXA-UAP, its majority shareholder, to buy Axa Equity & Law for £690 million, in a move that will create the United Kingdom's third-largest life insurer. **Page 31**

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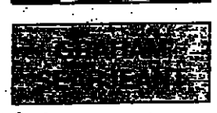
The long and the short of it

Gordon Brown proclaimed his first Budget as a long-term exercise. In reality there were two Budgets in his bright new box: a long-term one that can only be judged later and a short-term one that is bound to dominate the immediate response of business and markets.

The centrepiece, as it turned out, was not the long-term windfall tax and Welfare to Work programme, important though that off-balance-sheet programme may prove. It was a quick £5.4 billion a year raid on savers and investors, fancifully claimed to boost capital investment but actually to balance the books.

Far from being a Tory Budget, it was a genuine Labour grab. But not for the traditional reason. In essence, the City has been asked to cough up enough extra tax to impress the City with the Government's prudent financial management. The City, initially, was not impressed. Over the next 21 months, a net £10 billion is to be extracted from the corporate sector and investors, in effect to cut the public sector borrowing requirement. We knew about this beforehand. The level of the windfall tax was widely trailed and only its incidence came as a surprise, water companies eventually losing out on the clever formula chosen. Abolition of dividend tax relief for pension funds, charities and Peps was subject to more clumsy leaking. On the surface, the bits we did not know about in advance were more welcome: cuts in corporation tax, a short-term incentive for medium-sized business to buy plant, money to be spent on school buildings. Most of all, the deficit figures look good. This year's public sector borrowing requirement comes down to £11 billion, against the £19 billion projected in Kenneth Clarke's November Budget, and next year's to £4 billion instead of £12 billion. Admittedly, much of of this is due to the economy being more buoyant than previously forecast, the opposite of the mooted black hole. The markets were upset because Mr Brown raised Mr Clarke's taxes on consumers by less than £2 billion.





Minor cuts in interest relief and a tiny but lucrative impost on sales of expensive houses are not going to slow the housing market. But Mr Brown did not have much tax relief to cut and a swingeing tax on moving would really distort the market. If house price inflation is a problem, only higher interest rates work anyway. The gilt-edged market should benefit from second thoughts.

The long-term Budget has its heart in the right place. The key to healthy public finances, and hence to higher spending on desirable public services, is to attack the poverty that forever boosts welfare spending. Squeezing excluded groups into jobs makes a great start, if it is self-sustaining.

The tax on savings acts in the opposite direction. Investors in personal pensions will have less in retirement. And more employers will desert guaranteed final salary schemes. Even Peps will lose value, except for higher rate taxpayers. A new scheme is promised, but the tax advantages are not specified. They will be costly or unattractive.

The White Book: inflation set to reach 2.75% before returning to 2.5% in 1999

Consumer spending expected to rise 4.5%

Chancellor Gordon Brown vowed to 'unlock the talent of all the people', while declaring himself ready to heed any warning signs of an overheating economy to avoid mistakes of the past



Financial futures: Helen Liddell, Economic Secretary, Gordon Brown, the Chancellor, Dawn Primarolo, Financial Secretary, and Alastair Darling, Chief Secretary, will steer the Treasury's "Budget for Britain's future" and its £4.8 billion levy on privatised utilities

The following are extracts from the *Financial Statement and Budget Report, July 1997*, the aims of which will, says the Government, equip Britain for "our long-term future"

OUTPUT AND DEMAND

SINCE 1973, UK GDP has grown at only about two thirds of the rate achieved during the earlier post-war years. GDP growth over the past 25 years has also been slower in the UK than in any of its major competitors. Annual growth has averaged around 1¾ per cent in the UK since 1973, compared with an average of around 2½ per cent for the major (G7) industrial economies. The level of GDP per head in the UK is below the OECD average and the level in all other G7 countries. Despite some relative improvement since 1992, reflecting a cyclical upswing from a deep trough, the UK has failed to narrow the gap with the OECD average since the 1970s.

As in all other industrial countries, the growth of productivity (output per worker) slowed sharply after 1973. Following growth of close to 3 per cent a year between 1960 and 1973, productivity growth has since averaged around 1¾ per cent a year — similar to the European Union and OECD averages. However, the level of output per worker in the UK has been lower than that in other G7 economies since the early 1970s. After widening during the second half of the 1960s and the 1970s, this productivity gap has remained broadly constant during the 1980s and 1990s.

Productivity performance has been mixed across the sectors of the economy over the 1980s and 1990s. In manufacturing and the privatised utilities, productivity has grown strongly, partly associated with substantial labour shedding. But in much of the service sector (where productivity is less well-measured) productivity growth has been comparatively low, both relative to manufacturing and to growth in the 1960s and early 1970s. This has contributed to comparatively fast growth of employment in the service sector.

The UK economy has also suffered from a high degree of instability. Over the past 25 years, the UK has experienced the largest boom and the two deepest and longest recessions in the postwar period. In the early 1980s recession, output fell by 5¼ per cent from peak to trough, while there was a peak-to-trough fall in output of 3¾ per cent in the early 1990s. Since 1973, fluctuations in GDP growth have been larger in the UK than in any other G7 economy apart from Canada. This has been associated with a relatively high degree of inflation volatility.

DEVELOPMENTS

THE UK economy started a cyclical upswing in the first half of 1992, following a deep trough in output. GDP grew at an annualised rate of around 2 per cent between mid-1992 and mid-1993. But growth then picked up sharply, to 4½ per cent in 1994, as exports grew strongly in response to rapid world trade growth.

The growth of both domestic demand and exports slowed during 1995, the former reflecting a tightening of monetary policy and the latter a slackening of world trade growth. However, the impact on GDP was cushioned by higher stockbuilding, which was probably largely involuntary, and GDP rose 2 per cent in the year to the fourth quarter of 1995.

Domestic demand has been strengthening again since the beginning of 1996, but lower stockbuilding at first held back GDP growth, which remained at an annual rate of 2-2½ per cent over the first three quarters of the year. However, GDP accelerated sharply towards the end of the year, rising at an annualised rate of almost 4½ per cent in the fourth quarter of 1996 and 3½ per cent in the first quarter of 1997. On balance, it seems likely that the output gap is currently close to zero though there is a significant risk that output could already be above its trend level.

Over the past year, growth has been led by the service sector, where output increased at an annualised rate of 5¼ per cent in the first quarter, and by 4¼ per cent on a year earlier. Growth has been particularly strong in the financial and business services and transport and communication sectors. After showing little change for almost a year, construction output has been rising strongly since the middle of 1996, and in the first quarter of 1997 was 3¾ per cent higher than a year earlier. Manufacturing output remained broadly flat between late 1994 and mid-1996, but has picked up since last summer and in the three months to April was almost 2 per cent higher than a year earlier.

PROSPECTS

CONSUMERS' expenditure should continue to expand quite strongly in response to rising incomes and wealth and increasing consumer confidence, with scope for very strong growth in the event of heavier than expected spending out of windfall payments. Business investment is expected to pick up further this year, though manufacturing investment is expected to remain weak. But whole economy investment has been sluggish in recent years, and forecasts of strong growth over the past two years or so have failed to materialise. Moreover, investment prospects could be adversely affected if the high exchange rate hit exports hard. So the investment forecast is particularly uncertain. The drag on growth from stock adjustment now appears to have passed, and stockbuilding is expected to make little contribution to growth over the next 18 months. Total domestic demand is forecast to grow by 3¾ per cent this year.

However, export growth is expected to be slower from the second half of the year as the impact of the exchange-rate appreciation begins to build up. Towards the end of the year and into next year domestic demand is also expected to decelerate, partly in lagged response to the tightening of monetary and fiscal policy, and as the effect of spending out of windfalls on growth recedes. GDP is forecast to grow by 3¼ per cent in 1997 as a whole, with growth slowing through the year. Growth of 2½ per cent is forecast for 1998. Lower domestic demand growth and net trade are expected to contribute roughly equally to this slowdown.

The composition of demand growth over the next two years is likely to continue to be relatively favourable to the service sector. Manufacturing output is forecast to grow by just 1½ per cent this year and ¾ per cent in 1998.

Were the possible upside risk to consumer spending from windfalls and the downside risks to investment and exports from the high exchange rate to materialise, there would be further imbalance in the composition of growth. The Budget strategy has been designed to reduce the risks of growth remaining unbalanced.

PERSONAL SECTOR

CONSUMERS expenditure accelerated unsustainably in the second half of the 1980s and the saving ratio fell sharply. Between 1986 and 1988, consumer spending increased at an average rate of 6½ per cent a year, and the saving ratio fell to 6 per cent in 1988. The housing market boomed — prices increased by around 90 per cent between 1986 and 1989 — and many homeowners borrowed for consumption on the back of rising house prices. With falling saving and a sharp increase in housing investment, the personal sector moved into financial deficit in the late 1980s for the first sustained period since the 1950s. The subsequent recession and housing market downturn left the personal sector with a high debt burden and many homeowners with negative equity. Consumers' expenditure fell by 3½ per cent from peak to trough and house prices fell on average by almost 13 per cent. The saving ratio peaked at almost 13 per cent during 1992 and, despite relatively low inflation, has remained at a high level since, partly reflecting increased consumer caution after the experience of the late 1980s.

SPEND AND SAVING

CONSUMER spending is by far the largest expenditure component of GDP, accounting for over 60 per cent of the total. Having increased by 1¾-2¾ per cent a year between 1993 and 1995, it grew by 3½ per cent last year, with the annual growth rate picking up to 4¼ per cent in the final quarter. Spending on durable goods was particularly strong. Strong growth continued in the first quarter of 1997. Recent monthly indicators also point to strong consumer demand. Retail sales (which account for about 40 per cent of total consumption) were 4.9 per cent higher in the three months to May than a year earlier. New car registrations in the three months to May were 4.1 per cent up on a year earlier. Consumer credit continues to grow strongly (up by 17 per cent in the year to May) and consumer confidence is now back to levels last seen in mid-1988.

Real personal disposable income grew 3¾ per cent last year — well above its long-term trend rate of around 2½ per cent — reflecting income tax cuts, rising employment, higher real average earnings growth and further strong growth of dividend receipts. Dividend receipts are unlikely to grow as quickly this year as last, but with lower inflation, real average earnings growth is likely to be higher. Real personal disposable income is therefore forecast to grow strongly again this year, by 3 per cent. It is forecast to increase by 1¾ per cent in 1998.

Net personal financial wealth has grown by 30 per cent over the past two years, as a result of high personal sector saving (particularly in pensions) and rapid increases in equity prices. The FT-SE All-Share index rose by around 30 per cent between the beginning of 1995 and the end of 1996, and has risen by a further 10 per cent so far this year. Rising house prices have also been boosting total wealth since mid-1995. Personal wealth is being further increased by "windfall payments". People have already received around £25 billion this year from the flotation of building societies and insurance companies, and this is likely to rise to over £30 billion in the year as a whole. There is a further £5 billion from maturing Tessa accounts, which does not increase total wealth but makes existing wealth more liquid.

The forecast assumes that most of this money will be saved, and hence the effect on consumer spending will be relatively small — adding around ¾ to 1 per cent to consumption this year. Evidence from previous flotations and consumer surveys tends to support the view of relatively modest spending from these windfalls. However, it could be much larger, and this represents a significant upside risk to the forecast. For example, if a quarter of the windfalls were to be spent (compared with a central assumption of around 15 per cent), this would add a further ½ to ¾ per cent to consumers' expenditure this year. With consumption growth matching that of personal disposable income, the personal sector saving ratio remained at around 11½-12 per cent for most of last year. However, high levels of consumer confidence (at least partly associated with falling unemployment and rising house prices), high wealth and spending out of windfalls will all be tending to reduce the saving ratio. The forecast assumes that it falls to 8¾ per cent next year.

Reflecting the rise in real incomes and the fall in the saving ratio, consumer spending is forecast to grow by 4½ per cent in 1997. But, as already noted, heavier than expected spending from windfalls could lead to much stronger consumption growth in 1997. In any case, as a matter of arithmetic, the effect of windfalls on the growth of consumer spending is likely to recede during the course of next year. Towards the end of this year consumer spending is expected to start decelerating under the influence of the tightening of monetary and fiscal policy. Growth in consumers' expenditure is forecast to slow to 4 per cent in 1998.

HOUSING MARKET

HOUSE prices have been rising strongly since late 1995. The Halifax index shows prices in May 6.6 per cent higher than a year earlier, while the Nationwide index puts the increase in the year to June at 11 per cent. A shortage of properties on the market appears to be contributing to the upward pressure on prices. The May survey from the Royal Institute of Chartered Surveyors reported that the number of properties for sale was down 28 per cent on a year earlier. This now appears to be having an effect on turnover. The number of particulars delivered at the Land Registry has flattened off in the past few months, having risen sharply since early last year.

In real terms, house prices remain well below their previous peak. With the house price-earnings ratio still low, housing remains very affordable. Higher demand and limited increases in supply are therefore likely to combine to put upward pressure on house price inflation for a time. However, thereafter the rate of increase in house prices should begin to moderate, damped by the reduction in mortgage interest tax relief, and with slower growth in real incomes in 1998 acting as a restraint on housing demand.

Private housing investment — new housebuilding and improvements to existing properties — was virtually unchanged in 1996 as a whole, but picked up through the year, mainly led by higher investment in existing dwellings. However, investment in new dwellings also began to pick up in the second half of last year, and should increase further in 1997 as housing completions pick up.

FINANCIAL POSITION

WITH little change in either saving or investment, the personal sector financial surplus remained at around 6 per cent of disposable income last year, well above its long-run average of around 3½ per cent. But with a fall in the saving ratio and a pick-up in housing investment, this surplus is projected to decline to around 2 per cent of income in 1998.

CORPORATE SECTOR

THE UK's relatively weak growth performance over the past 25 years partly reflects under-investment. The UK's ratio of investment to GDP is low by both historical and international standards.

The ratio of whole economy fixed investment to GDP has consistently been well below the OECD average since at least 1960, and the gap has been widening in recent years. Since 1960, the investment-GDP ratio for the OECD as a whole has averaged around 21 per cent, compared with a UK figure of 18 per cent.

Between 1960 and 1994, the UK invested a lower share of GDP than any other OECD country. On the other hand, the UK's record on plant and machinery (and business) investment has not been so clearly out of line with other industrial countries. However, it seems unlikely that the UK can catch up, or at least narrow the gap, with its main competitors in terms of the level of GDP per head without a significant rise in the ratio of investment to GDP.

Whole economy saving has also been low relative to income by the standards of the rest of the industrialised world.

The investment recovery over the past five years has been weak by historical standards. During the current economic upswing, the ratio of whole economy investment to GDP has fallen continuously, in contrast to the 1980s recovery, though this time round it has fallen from an historic high rather than rising from an historic low. In 1996, it was lower than for most of the past 30 years. While output has increased by 15¼ per cent from its trough at the beginning of 1992, total investment has increased by only 10 ¼ per cent.

Taylor is surprise choice as new chairman of Lloyd's

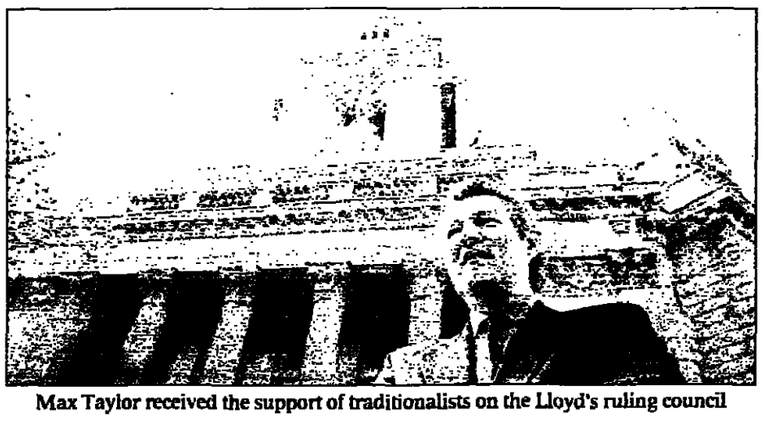
BY ADAM JONES

THE Lloyd's of London ruling council shocked Lime Street yesterday by choosing Max Taylor, an executive director of Willis Corroon, the insurance broker, as its chairman.

The move provoked anger in the camp of rival candidate Jonathan Agnew, who is thought to have turned down two recent job offers, including the chairmanship of the Securities and Investments Board, in the belief that he would be the next head of Lloyd's.

There had been widespread predictions that Mr Agnew, the chairman of the biggest corporate investment vehicle at Lloyd's and a much higher-profile candidate, would take the society's top job.

It had been widely believed that Sir David Rowland, the current chairman, was preparing the way for Mr Agnew, who was ousted four years ago as chief executive of Kleinwort Benson, the merchant bank. Mr Taylor, 49, has been an unlimited liability name at Lloyd's since 1975. It was suggested last night that this, and Mr Agnew's association with corporate capital, was a significant factor in winning the backing of traditionalists on the council. The relationship between corporate capital and traditional names has provoked angry divisions in the society.



Max Taylor received the support of traditionalists on the Lloyd's ruling council

However, Mr Taylor is also seen in some quarters as a more independent voice, since he is not currently a member of council, unlike Mr Agnew.

One insurance market insider said last night that his broking background meant that he fits Lloyd's current strategy of concentrating on customer needs, rather than the needs of its capital base, extremely well.

It has also been suggested that the chairman will be more in the background behind Ron Sandler, the popular chief executive, than was the case with Sir David Rowland, who steered the society through its reconstruction and renewal.

Mr Taylor was educated at Haileybury School and joined Willis Faber as a junior aviation broker in its North American department in 1970. He joined the board of Willis Faber in 1990, before its merger with Corroon and Black.

He was made group executive director of Willis Corroon earlier this year, with overall responsibility for the London market and global speciality business, Japan and discontinued underwriting activities.

The nomination by the Council of Lloyd's needs to be ratified by a ballot in the autumn. Mr Taylor will need to be elected to the council before assuming his new duties in the new year.

LVMH to propose £10bn deal

BY DOMINIC WALSH

BERNARD ARNAULT, chairman of LVMH, the luxury goods group, will this month present Guinness and Grand Metropolitan with a formal proposal that the three companies combine their drinks arms into a single business with a separate stock market quotation.

At a meeting in Paris yesterday with Tony Greener, chairman of Guinness, and George Bull, his counterpart at GrandMet, M Arnault outlined his views on creating an international wines and spirits business worth more than £10 billion.

The meeting, the first since the two British companies announced plans for a £23 billion merger in May, was viewed positively by both camps last night. M Arnault has previously been opposed on the grounds that the merger omits LVMH's Moët Hennessy business.

To put pressure on the two companies he has built up a 6.4 per cent stake in GrandMet to add to his 14 per cent stake in Guinness and has referred the dispute to an international arbitration group in Paris.

Commentary, page 31

Consumers' Association defends 'best Visa' claim

BY MARIANNE CURPHEY AND SARA MCCONNELL

THE Consumers' Association yesterday defended a decision by *Which?* magazine, its flagship publication, to recommend its own credit card as a "best buy".

The recommendation appears in a survey of credit cards in next month's issue under "Best buys for usual payers" — those who spend £2,700 a year on their card and pay for three out of four bills in full.

Chris Peers, product development manager at the CA, said: "The *Which?* Visa card is aimed at *Which?* members, most of whom pay off their card in full every month. It is not designed for people who only pay off the minimum. Our members are mostly middle aged and affluent."

He conceded that the card was not the cheapest on the market, but he argued that it offered extras such as free legal support services for members in dispute over products and services.

The launch of the *Which?* card last year was the first big initiative of Sheila McKechnie, who joined as director of the CA in January 1995 from Shelter, the charity for the homeless.

So far only 20,000 people have signed up for the card. Its launch was aimed at raising funds for *Which?* campaigns at a time when membership of the CA has fallen from its 1988 high of 900,000 to the current level of 743,000. *Which?* said it had questioned members before it launched the card and less than 1 per cent thought the move would compromise the integrity of the magazine.

When Dr John Beishon joined as director in 1987 he attempted to reshape CA, but staff were opposed to changes and went on strike. *Which?* subscribers pay £14.75 a quarter for the magazine.

The card is run for *Which?* by the Beneficial Bank, known for running affinity cards. It pays the CA £5 for every card taken out, and donates 0.27 per cent each time one is used.

JCI given Lonrho option

BY JASON NISSE

JCI, the South African mining group that this week called off its £2 billion merger talks with Lonrho, has been given an option to buy a 25 per cent stake in the company for £307 million.

The stake is currently owned by Anglo American, the huge South African group that built up a stake of nearly 27 per cent in Lonrho only to be told by the European Commission that it had to cut the stake to less than 10 per cent.

JCI's option is priced at 155p per Lonrho share, well above yesterday's share price, which rose 12p to 141½p on the news. The City now believes that JCI may be tempted to make an aggressive bid for Lonrho.

Talks are continuing between JCI and Lonrho about a possible swap of JCI's Tavistock coal business for Lonrho's 33 per cent stake in Ashanti, the Ghanaian gold-mining company. Lonrho has maintained that Ashanti is worth more than Tavistock.

Anglo's remaining 1.6 per cent is being optioned to Southern Life Association, an associate company of Lonrho.

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Life is spicier with French dressing

COMMENTARY
by our City Editor

London's supremacy in life assurance was amply demonstrated when French, German and other continental insurers homed in on British companies to give them the marketing, investment and even actuarial expertise needed to compete in a less protected single market. But they have not neglected potential UK customers. Thus, cricket finds test matches sponsored by a German-owned company and its knockabout Sunday league by the French. Home-spun Britannic, which sponsors the county championship, must feel nervous.

Others might feel nervous in future. The ambitious Axa's merger with UAP, its denationalised French rival, will create a big player in the UK market when Axa's wholly-owned Equity & Law is put in with UAP-controlled Sun Life, which has already absorbed Provincial.

In the continental manner, outside shareholders in Sun Life are mere bit players in this essentially internal restructuring. Instead of Axa buying Sun Life, Sun will buy Equity & Law, along with other bits and pieces, from its own parent company, which will also keep rights to orphan assets should the DTI allow it to extract them. Still those who bought stock in Sun Life knew what they were doing and the market reckoned yesterday that they had a fair deal. Sun shares gained 6 per cent even though the merger was no surprise and even though Axa will sell about 10 per cent of the enlarged Sun to cut its holding to two thirds.

Outside investors will share in the benefits of cost-cutting, which looks to have plenty of potential. The enlarged company will also have conveniently ready-made separate brands to sell direct and through financial advisers.

In any merger of this kind, existing long-term policyholders are more in need of protection. In advance of the creation of a super-SIB, the mixed doubles pairing of the Personal Investment Authority and the DTI should make sure the detailed implications of this merger do not go down the middle.

The emergence of a strong new competitor will surely also hasten consolidation of the UK-owned industry. Apart from empire-building, this is driven by competition from bancassurers with big names and built-in distribution, the need for resources to cope with extra regulatory costs and the need to cut selling costs that must now be revealed to customers. No wonder stale bulls of both BAT and Commercial Union are trying to hope into existence a deal that demerges BAT's huge insurance interests and merges them with the life-minded composite.

Ponsolle displays his Tunnel vision

All hail Patrick Ponsolle, the loquacious co-chairman of Eurotunnel. Winning over the French Government to the idea of a licence extension was never going to be difficult — there are more than 500,000 voters with Eurotunnel shares on that side of *La Manche*.

Winning over John Prescott in his first few weeks of juggling the environment and transport briefs, was trickier. And persuading Eurotunnel's recalcitrant shareholders to back a refinancing showed a level of diplomacy not usually associated with Eurotunnel — by signing up the shareholders will finally lose control of the group. The banks will have a majority of the shares come July 11. If they want to refinance again — as they will have to in 1999 or 2000 — the banks will have enough votes to push the deal through whatever the other shareholders think.

But how pyrrhic will this victory be? Prescott wants Eurotunnel to encourage freight to go through the tunnel — presumably by cutting prices. This means Margaret Beckett must let the Stena/P&O ferry merger go through. Making Eurotunnel even more aggressive will hit the ferry companies, so they should be allowed to huddle together for warmth. Prescott's other condition is to make Eurotunnel pay for the extension. Ponsolle overplayed his hand by pricing the extension in the Eurotunnel shareholders' circular, saying that the group would make £16 million a year more if it could extend the licence to operate the tunnel by 34 years, to 2086. This indicates that the extension is worth more than £500 million to Eurotunnel.

But you can't force the company to pay today — its finances are further under water than the tunnel itself. So Eurotunnel has offered a quarter of the profits during the life of the extension — in other words, give us this concession now and we'll cut you into the deal in 55 years time.

Prescott seems less than happy about this offer. The word is that he wants a higher share of the profits after 2052. What he should demand is a dividend from Eurotunnel as soon as it struggles into profit, which could be as soon as 2005. It's tough, but at least it would mean that a Labour administration would be sure to benefit from the deal.

The serious side of M Arnault

The behind-the-scenes machinations ahead of yesterday's talks between Bernard Arnault of LVMH, Tony Greener of Guinness and GrandMet's George Bull have been something to behold. No sooner does one side whisper a line (all "off the record background", of course) than the other says the opposite.

Take the question of who actually initiated the talks. M Arnault's cohorts are clear that it was a case of the Guinness-GrandMet side (to be dubbed GMG Brands post merger) bowing to pressure from institutions to meet him. This side of the Channel, the story is that Messrs Greener and Bull have been calling for a meeting all along, only to be rebuffed, up until now, by the Frenchman.

The suggestion from Paris had been that the GMG side might be going simply as a publicity stunt in order to keep the institutions happy. Mr Greener was adamant before flying out that it was a genuine attempt to sort out a messy situation.

The latter appears to have been the case and, in all truth, any other course would have been a risky one. M Arnault is already the biggest shareholder in both Guinness and GrandMet and his tenacious attempts to derail the deal unless he is allowed to become involved (or heavily compensated) deserve very serious consideration.

Yesterday he was able to air his views and the ball is now very firmly in his court.

OFT delayed

IF JOHN BRIDGEMAN'S bite is to be as tough as his bark, then the Director-General of Fair Trading must refer City underwriting to the MMC. Yesterday he issued his third warning to the City, but weaseled out of a reference, saying there had not been enough share issues to have a proper analysis. Well, he has looked at 52 deals, and in only a handful has there been any cut in costs. If Bridgeman is a cartel buster, this is one he has to bust.

Axa Equity & Law sold to Sun Life in £760m package

By Gavin Lumsden

SUN LIFE and Provincial has struck a deal with AXA-UAP, its majority shareholder, to buy Axa Equity & Law for £690 million, in a move that will create the UK's third-largest life insurer.

Sun Life has also agreed to acquire Axa Insurance for £70 million, lifting the total value of the transaction to £760 million.

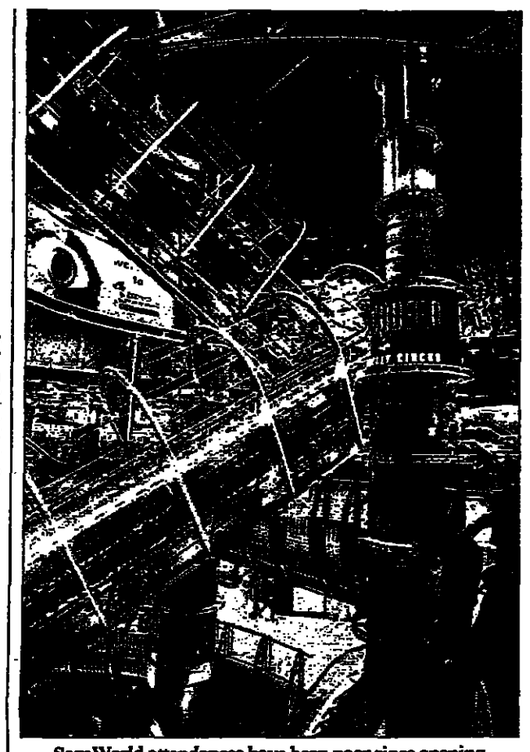
Initially, the enlarged group will have 7,000 employees, 2.5 million policyholders and control £30 billion of assets. Lord Douro, chairman of Sun Life, said that the enlarged group would be able to build on its leading positions in long-term care and pensions markets. It would also generate annual savings of £35 million within three years, which would be passed directly to shareholders.

However the deal comes at a price for employees. Axa's head office in High Wycombe, which employs 690 staff, will close in 1999. Mark Wood, chief executive of Axa Equity & Law who becomes group chief executive after the deal, said that enforced redundancies would be minimised by retraining and relocation. Further savings are expected in IT and product development. After the deal Sun Life will concentrate on the intermediary market, while the Axa brand name will be used to market directly to the public.

AXA-UAP has held 60.2 per cent of Sun Life's shares and all of Axa Equity & Law's since it announced its own merger last November. The deal, in the form of 224.76 million new ordinary shares in Sun Life, gives AXA-UAP a 72.4 per cent stake in the enlarged company. This will be reduced to 65 per cent by December 1999.

Shares in Sun life, which floated last year, rose from 306p to 323½p on the deal. One analyst expressed disappointment that Sun Life had not provided up-to-date figures on its business or the embedded value of its with-profits fund. Under the deal Sun Life is paying £470 million of embedded value and £220 million of goodwill.

Commentary, this page



SegaWorld attendances have been poor since opening

Burford will pay £210m to buy Trocadero back

By Carl Mortished

BURFORD, the property group run by Nick Leslau and Nigel Wray, has bought back the Trocadero and London Pavilion properties for £210 million. They hope the deal will boost the flagging fortunes of the leisure company demerged from Burford a year ago as Trocadero.

But Trocadero shares fell yesterday as Burford announced that it would pay £160 million in cash initially for the two freeholds at Piccadilly Circus, central London. The balance is payable in three stages over two years conditional on the rental income on two leases. Trocadero is leasing back the space occupied by SegaWorld, the virtual reality theme park that has suffered poor attendance and management problems since it opened last summer.

Nick Leslau, chief executive of both Trocadero and Burford, said the deal would release £73 million of cash which would be used to develop Trocadero's leisure and media interests.

Burford acquired the Trocadero site from the receivers for £94 million three years ago and next year struck a deal with Sega, the Japanese electronics group, to create an indoor theme park on the site.

Burford spent £30 million refurbishing the building and then acquired the London Pavilion next door for £14 million, making a total investment of about £140 million. Trocadero booked a revaluation surplus of £71 million from its properties at the end of December and will therefore make a book loss on the sale of £18 million.

Tempus, page 32

Bakyrchik loses mine control

By Paul Durman

BAKYRCHIK GOLD is to pass control of its Kazakhstan goldmine to its biggest shareholder to secure the company's financial rescue.

With the company's interest in the Bakyrchik mine, its main asset, falling to 20 per cent, it will have to give up its London share listing. The shares fell 35p to a 48½p low yesterday as they returned from suspension. Last year they reached almost 590p.

Bakyrchik could not make the second of four $15 million payments to the Republic of Kazakhstan under a deal that had let the company raise its stake in the mine to 85 per cent.

Indochina Goldfields is to take an 80 per cent interest in the mine and will fund its development.

Tempus, page 32

OFT final warning on issues costs

By Adam Jones

JOHN BRIDGEMAN, Director-General of the Office of Fair Trading, has issued a final warning to the City that it must cut the cost of raising cash through share issues or face a Monopolies and Mergers Commission inquiry.

He said yesterday that underwriters of rights issues need to open up to more competition, despite some attempts at reducing charges. Underwriting institutions traditionally receive about 2 per cent of the capital raised.

Mr Bridgeman said: "I am continuing to monitor rights issues and if markets prove incapable of reforming themselves I will have no alternative but to initiate more formal action. It is now up to the industry to decide whether to reform without such a reference or to subject itself to the full rigours of the MMC. I am not prepared to wait much longer for real and sustained evidence of a change."

Last year Mr Bridgeman said that a decision on referral would be made by the end of March but this was postponed when the OFT said that some progress had been made, such as in a cheaper rights issue for Stakis.

But Mr Bridgeman said analysis of 52 issues between June 1996 and the end of March showed sub-underwriting fees only marginally lower since the introduction of tendering and that excess profits remain. "If sub-underwriting had become truly competitive then I would have expected to see a much greater variation in fees," he said.

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STOCK MARKET  MICHAEL CLARK

Rate rise worries leave City investors on edge

CITY investors are bracing themselves for a rise of up to half a point in interest rates within the next few days after Gordon Brown's first Budget as Chancellor of the Exchequer.

As a result, Government securities suffered falls of almost £¾ last night and share prices are expected to open sharply lower this morning. Brokers are forecasting an *initial fall of between 30 and* 50 points in the FTSE 100 index, which closed last night, before the Chancellor sat down, 23.1 up at 4,751.4.

City economists were agreed that the numbers failed to add up. They say the Chancellor had not raised enough to carry out his policies and to deter consumers from spending less.

Now everything depends on Eddie George, Governor of the Bank of England, and his *independent economic* committee. He is likely to tackle the problem of growing inflation in the traditional manner — by raising rates.

Richard Jeffrey, chief economist at Charterhouse merchant bank, is forecasting a half-point rise and warns they will continue to rise. He is forecasting base rates of 8 per cent by the year end.

British Telecom, up 7½p at 457½p, was relieved that the windfall tax on its profits will be lower than expected and should go sharply better this morning. The company says its portion of the windfall tax will be £504 million. Some reports had forecast a hit of as much as £1 billion. The company said it would not be pursuing its challenge to the tax in the European courts.

Last month, Sir Iain Vallance, BT's chairman, said he "owed it to shareholders" to take legal action if he considered the tax onerous. Yesterday he said he saw no justification for taxing BT in this way. The City expects BT shares to continue rising this morning.

The one-off tax on the water and electricity sectors could have been much higher, analysts said. The electricity companies are to pay £2.1 billion, which is lower than expected, while the water companies will pay £1.65 billion, which was in line with most forecasts. Water shares were firm *last night, but closed below* their best of the day. They are not expected to make much headway today. **Anglian Water** finished 13½p firmer at 709p, **Severn Trent** 29p higher at 839p, **South West Water** 21½p better at 781p, and **Thames** 12p *stronger at 740p.*

Electricity shares could take off. Nigel Hawkins, of Yamaichi International, said: "I think the market will be pleased. There is a clear number there and it has removed the uncertainty. This will lure back long-term investors." Last night losses were seen in **ScottishPower**, 16p at 397p, **Southern Electric**, 15p at 436½p, **PowerGen** 5½p at *729½p, and National Power*, 8p at 534p, while **British Energy** firmed ½p to 149p.

Railtrack eased 3½p to 632p. The company estimates that its share of the windfall tax will be an estimated £165 million. A spokesman described the burden as "manageable" and said the company remained committed to its investment programme.

A rise in interest rates now seems on the cards and this, combined with the pound's relentless rise against the mark, is expected to be bad news for manufacturers and exporters. Those most likely to be affected are **GKN**, down 11p at £10.08½, **LucasVarity**, 3½p off at 208p, **Rolls-Royce** *½p firmer at 235½p*, **British Aerospace**, down 20p at £13.06½, and **GEC** ½p better at 360p.

Grand Metropolitan finished 12½p higher at 610p, with **Guinness**, its proposed merger partner putting on 11p at 610p. Both sides met LVMH, Guinness's associate in Paris, yesterday to discuss objections it has to the merger. Bernard Arnault says he plans to detail in writing his specific proposals on the deal.

The 1p rise in duty on a pint and 19p on a bottle of spirits came as no surprise and will not take effect until January, next year anyway. **Bass** closed last night 14p higher at 759p, **J D Wetherspoon** 12½p better at £13.75, while **Allied Domecq** was 8p off at 427p.

☐ **GILT-EDGED**: The prospect of an imminent rise in interest rates in the wake of the Budget proposals left the longer end of the market nursing falls stretching to £¾.

The Bank of England followed it up by announcing that two double-gilt auctions, sheduled for the third and fourth quarter of the year, had been made single offerings, while the auctions sheduled for August and February, next year, had been cancelled. The Bank said the reduction in the PSBR meant the Government need not raise so much money.

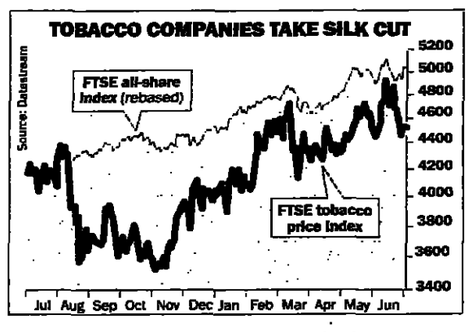
Steve Scott, gilt analyst at Dresdner Kleinwort Benson, the broker, said shorter dated issues had been undermined by the prospect of dearer money, while longs had taken the view not enough money had been raised for Government coffers, creating problems longer-term.

In the futures pit, the September series of the long gilt fell £²¹₃₂ to £113³¹₃₂ as the total number of contracts completed reached 100,000.

☐ **NEW YORK**: Blue chips drifted in somewhat cautious trade as Federal Reserve policymakers met. By midday the Dow Jones industrial average was down 23.08 points at 7,699.25.



Shares in Imperial Tobacco and Gallaher dipped



TOBACCO shares closed mixed, with BAT Industries up 3½p at 549½p, while Gallaher shed 5½p at 272½p and Imperial Tobacco 4½p at 381½p. The 19p rise in a packet of 20 cigarettes was expected.

Tomorrow a judge is expected to be appointed to hear the first case brought by a smoker against British tobacco companies. The action will not affect BAT, which does not sell cigarettes in this country.

The case follows similar actions brought by smokers and state health authorities in the US. These cases were settled after the companies agreed to pay £225 billion over 25 years. Investors fear a similar outcome in Europe.

But Jonathan Fell at Merrill Lynch, the broker, says a final result is some way off: "The plaintiffs face a tough job of winning the case. The tobacco companies are very good at making their case".

He says a conclusion to the case is still a long way off. "Public and politcal attitudes to the tobacco companies are not the same here as in the US."

MAJOR INDICES

New York (midday):
Dow Jones 7690.25 (+23.08)
S&P Composite 993.73 (+2.70)

Tokyo:
Nikkei Average 20196.42 (+20.93)

Hong Kong:
Hang Seng Closed

Amsterdam:
EOE Index 879.02 (+7.71)

Sydney:
AO 2745.9 (+24.7)

Frankfurt:
DAX 3854.76 (+34.91)

Singapore:
Straits 1968.91 (-12.37)

Brussels:
General 13885.67 (+154.83)

Paris:
CAC-40 3909.45 (+34.59)

Zurich:
SKA Gen 1169.80 (+5.80)

London:

FT 30	3056.6 (+18.0)
FTSE 100	4751.4 (+23.1)
FTSE 250	4471.3 (+18.8)
FTSE 350	2289.2 (+10.9)
FTSE Eurotrack 100	2565.92 (+28.07)
FTSE All-Share	2240.42 (+9.99)
FTSE Non Financials	2290.23 (+9.74)
FTSE Fixed Interest	124.13 (+0.24)
FTSE Govt Secs	7.12 (+0.13)
Bargains	52763
SEAQ Volume	732.7m
US$	1.6510 (-0.0070)
German Mark	2.8907 (+0.0061)
Exchange Index	101.7 (Same)
Bank of England official close (4pm)	
£:ECU	1.4731
£:SDR	1.1982
RPI	156.9 May (2.6%) Jan 1987=100
RPIX	156.3 May (2.5%) Jan 1987=100

RECENT ISSUES

AIT	150½	...
Ashtenne	125	...
Aston Villa	840	+ 2½
Caradon B	98½	...
European Mining	25	...
Grosmont Hldgs	3¼	...
Grosmont Hldgs Wrts	1	+ ½
Heart of Midlothian	110½	...
Highland Timber	124½	...
Integrated As Mgt	125	...
Longbridge Intl	117½	...
Norwich Union (290)	325½	+ 1
Powderject Pharms	200	...
Primesight	140½	+ 1
Reabourne Merlin	110½	...
Royalblue Group	209½	+ 1
SBS Group	112½	...
SGB Group	155½	...
Versailte Group	3½	...

RIGHTS ISSUES

Benchmark Gp n/p	8½	...
Century Inns n/p (155)	2	...
Dragon Oil n/p (2)	1½	+ ½
Ex-Lands n/p (175)	¼	...
Millwall Hldgs n/p (1)	¼	...
Waterfall Hldgs (75)	5½	...

MAJOR CHANGES

RISES:

Norbain	219p (+38p)
Lonrho	141½p (+12p)
DCS Gp	247½p (+15p)
Real Time	260p (+15p)
Com Union	687½p (+26p)
Reckitt & Colm	947½p (+35p)
Enterprise	750p (+25½p)
Ashtead	294p (+10½p)
Cable Wireless	588½p (+18p)
BAA	572½p (+17p)

FALLS:

Dudley Jenkins	209p (-15½p)
Regent Inns	275p (-9½p)
Card Gp	642½p (-20p)
Xenova	305p (-9p)
Johnson Matth	554p (-14½p)
Lloyds TSB	646p (-9½p)
Sothebys	960p (-10p)
Critchley	642½p (-10p)
Servisair	410p (-8½p)

Closing Prices Page 37

TEMPUS

Good for the Averages

FOR all his stern warnings about the need to underpin consumer spending with industrial growth, the Chancellor did little to punish Mr and Mrs Average for their recent shopping spree. The corporate sector is paying for the Labour Government's first Budget and this morning the market will be demanding another interest *rate rise to curb spending.*

The Government is taking a net £3.4 billion from the investment pool: companies are being allowed to retain some £2 billion in profits, while £5.4 billion is being clawed back from pension funds by abolishing the dividend tax credit. No one quite knows how the funds will react to this change to their cash flow, but it could require an immediate injection of £1 billion into pension funds and a search for alternative sources of investment income. Victims are likely to be large *industrial companies with mature pension* schemes, such as British Steel, ICI, British Airways, Lucas Varity, BT and British Aerospace. These are curious targets for punishment by a Government keen on manufacturing and investment, but the other Budget victims were more predictable.

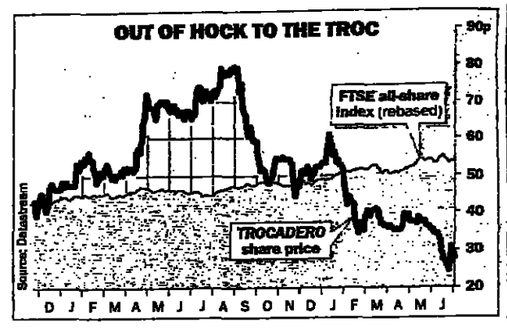
The water companies have been clobbered with the useful device of applying an arbitrary valuation multiple to their profits. Having decided that businesses were sold too cheaply by the Tories, the Government has been beavering away calculating their true value, which — hey presto! — turns out to be nine times their average earnings. Therefore water companies *do badly and BAA and BT do well.* Easily done, but the harm done by the strong pound will be less quick to cure. Gordon Brown promised not to hurt Mr and Mrs Average. He may regret it.

Burford

LIKE a boomerang, the Trocadero is back to bother Burford, which had previously spun off the troublesome building and its sister, the London Pavilion, as an asset-backed leisure company. Recounting the litany of the Troc's woes has almost become a ritual, from the abortive development planned by Electricity Supply Nominees in the 1970s to Brent Walker and finally the disastrous ambitions of Power Corporation.

Of course, Burford has actually made money out of the Troc, at least on paper. The problem is how to realise the £50 million-plus valuation gain now that the *freeholds have reverted back* to it. The deal has a certain logic for the Troc: Burford shed the building as a leisure business because the supposed earnings power of Segaworld and, later, Enid Blyton were not fully valued within the geared balance sheet of a property company. Selling the freeholds gives Trocadero cash to invest and removes the distraction of running two huge properties.

Unfortunately, the deal has little logic for Burford. The Troc and the London Pavilion will account for about a third of Burford's portfolio, but will lag far behind in growth terms. It must be galling for the property company to have to fork out £210 million for two properties that have seen *their best growth.* But, in truth, there can have been few buyers at this price.



Bunzl

THE acquisition of American Filtrona by Bunzl had been long over due. Bunzl has been eyeing up its US rival for the past five years because it rightly sees the two businesses as fitting well together. They were both developed by members of the Bunzl family after their flight from German-occupied Austria in the 1940s.

Bunzl — the company — and American Filtrona were built up simultaneously and along similar lines on different sides of the Atlantic. Today they compete head on, using the same name, Filtrona. By combining the two operations, they will improve their marketing by uniformly selling as Filtrona. Although a relatively small benefit, the improvement will be instantaneous.

Other rationalisations are to follow. The deal will be earnings enhancing next year. Bunzl expects an extra 0.75p earnings per share in 1998. The only reason the deal will not enhance earnings this year is a delay in achieving regulatory approval until October. Last month, the deal appeared to have hit the rocks. Yesterday's agreement is good news for Bunzl's investors.

Bakyrchik Gold

IT HAS BEEN thrills and spills all the way for investors in Bakyrchik Gold, but the company's short stock market career is now drawing to a close. After numerous delays, technical setbacks and cash shortages, the company has finally lost control of the Kazakhstan gold mine that drew it to the market in the first place. It will no longer qualify for a full listing, and investors must hope the stock can secure a new home — though Toronto or Vancouver may be a better choice than the AIM for the mine's new Canadian backers.

Investors cannot say that they were not warned. As the company's prospectus acknowledged four years ago, the Bakyrchik mine is 150 miles from a former nuclear test site for the Soviet Union, and initially lacked international telecoms links. Mineworkers had the use of a vodka room in place of a vending machine, and were culturally disinclined to use their initiative or take responsibility. As if these were not warnings enough, Bakyrchik's two founder shareholders bailed out within a year of the 1993 flotation.

In spite of all the mistakes, the Bakyrchik mine still looks a potential treasure trove. Although Bakyrchik is in no position to debate the issue, Indochina Goldfields has still agreed to a price that effectively values the mine at $100 million. It is easy to snipe at Bakyrchik, given the mining company's almost absurd history, but stock markets do have a role in financing such high-risk projects.

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COMMODITIES

LIFFE

COCOA

Jul	1040-1045	Sep	1164-1165
Sep	1104-1108	Dec	1175-1170
Dec	1116-1115	Mar	1165-1180
Mar	1130-1129	May	1200-1190
May	1145-1142		
Jul	1155-1150		Volume: 3231

ROBUSTA COFFEE ($)

Jul	1810-1805	Mar	1760-1750
Sep	1840-1835	May	1745-1730
Nov	1824-1820	Jul	1745-1680
Jan	1789-1780		Volume 2550

WHITE SUGAR (FOB)

Reuters		Mar	316.0-15.4
Spot: n/a		May	315.5-13.9
Aug	320.0-19.5	Aug	314.9-11.9
Oct	316.0-15.4	Oct	308.9-04.4
Dec	315.0-14.1		Volume: 3452

MEAT & LIVESTOCK COMMISSION

Average latstock prices at representative markets on July 1

(p/kg lw)	Pig	Sheep	Cattle
GB	91.63	115.59	96.06
(+/-)	-1.79	-1.09	+2.77
England&Wales:	91.61	115.63	94.87
(+/-)	-2.45	-1.15	+2.96
(%)	-2.0	-1.0	+3.0
Scotland:	91.86	115.22	99.68
(+/-)	*-2.36*	*-0.45*	+0.56
(%)	-42.0	n/c	+17.0

ICIS-LOR (London 6.00pm)

CRUDE OILS ($/barrel FOB)

Brent Physical	18.75	n/c
Brent 15 day (Aug)	18.75	n/c
Brent 15 day (Sep)	18.80	+0.05
W Texas Intermediate (Aug)	20.15	+0.05
W Texas Intermediate (Sep)	22.20	+0.10

PRODUCTS ($/MT)

Spot CIF NW Europe (prompt delivery)

	Bid	Offer
Premium Unld	191 (+3)	193 (+3)
Gasoil EEC	168 (-1)	169 (-1)
3.5 Fuel Oil	81 (n/c)	83 (n/c)
Naphtha	174 (n/c)	175 (n/c)

IPE FUTURES (GNI Ltd)

GAS OIL

Jul	167.50-67.75	Oct	172.00-72.25
Aug	169.00-69.25	Nov	173.75-74.25
Sep	170.25-70.50		Vol. 13129

BRENT (6.00pm)

Jul	18.76-18.79	Oct	n/a
Aug	18.82-18.84	Nov	18.95-19.00
Sep	18.88-18.91		Vol: 29353

GNI LONDON GRAIN FUTURES

LIFFE WHEAT (close £/t)		LIFFE BARLEY (close £/t)	
Jul	82.00	Sep	81.90
Sep	84.25	Nov	83.90
Nov	86.25	Jan	85.90
Jan	88.25	Mar	87.90
Mar	90.25	May	98.25
	Volume: 169		Volume: 11

LIFFE POTATO (£/t) Open Close
Nov unq 34.0
Mar 58.0
Apr 66.5 68.0
Volume: 81

RUBBER (No 1 RSS Cif p/k)
Aug 83.50-84.00

LIFFE BIFFEX (GNI Ltd $10/pt)

	High	Low	Close
Jul 97	1270	1260	1265
Aug 97	1200	1195	1195
Sep 97	1275	1267	1270
Oct 97	1370	1365	1370
Vol: 208 lots		Open interest: 2935	
	Index 1334 +9		

(Official) (Volume prev day) — **LONDON METAL EXCHANGE** — **Rudolf Wolff**

	Cash:	3mths:	Vol:
Copper Gde A ($/tonne)	2520.0-2522.0	2380.5-2380.5	149480
Lead ($/tonne)	621.00-621.50	634.50-635.50	364225
Zinc Spec Hi Gde ($/tonne)	1448.0-1450.0	1451.0-1452.0	849300
Tin ($/tonne)	5475.0-5476.0	5515.0-5520.0	15490
Aluminium Hi Gde ($/tonne)	*1589.0-1589.5*	*1612.0-1612.5*	*1748475*
Nickel ($/tonne)	6800.0-6802.0	6920.0-6925.0	109518

FTSE INDEX (4753)

4650	4700	4750	4800	4850	4900

Calls

Jul	104½	148	113	68	50	28
Aug	212½	176	147	117	92½	71
Sep	248	213	182½	152	126	104½
Oct	274½	242	211½	181	154½	132½
Dec	—	303	—	239	—	184
Puts						
Jul	29½	42½	59½	83½	111½	151
Aug	59½	73	93	115	142½	174
Sep	78	94	120	134½	161	191
Oct	89½	108	128½	150½	177	207
Dec	—	132	—	171½	—	223

LONDON FINANCIAL FUTURES

	Period	Open	High	Low	Sett	Vol
Long Gilt	Sep 97	114-22	115-05	113-25	114-25	98899
Previous open interest: 164986	Dec 97	114-10	114-14	114-10	114-12	228
German Govt Bond (Bund)	Sep 97	101.90	102.17	101.84	102.03	206231
Previous open interest: 261085	Dec 97	100.97	101.18	100.97	101.10	781
Italian Govt Bond (BTP)	Sep 97	134.40	135.20	134.30	135.02	71688
Previous open interest: 100074	Dec 97	107.00	107.30	107.00	107.32	370
Japanese Govt Bond (JGB)	Sep 97	124.45	124.46	124.45	124.46	1309
	Dec 97	123.80	123.90	123.80	123.84	170
Three Mth Sterling	Sep 97	92.93	92.99	92.92	92.98	42274
	Dec 97	92.77	92.84	92.03	92.82	39480
Previous open interest: 508156	Mar 98	92.69	92.76	92.54	92.73	24798
Three Mth Euromark	Sep 97	96.84	96.85	96.83	96.84	13557
Previous open interest: 1464717	Dec 97	96.76	96.76	96.74	96.75	22125
Three Mth Eurolira	Sep 97	93.50	93.54	93.50	93.53	15717
Previous open interest: 351832	Dec 97	93.89	93.94	93.89	93.92	11068
Three Mth Euroyen	Dec 97				99.13	0
	Mar 98				98.93	0
Three Mth Euroswiss	Sep 97	98.37	98.42	98.35	98.39	12674
Previous open interest: 137442	Dec 97	98.21	98.28	98.19	98.25	7054
Three Mth ECU	Sep 97	95.85	95.86	95.85	95.86	638
Previous open interest: 30517	Dec 97	95.83	95.84	95.83	95.84	122
FTSE 100	Sep 97	4778.0	4830.0	4725.0	4822.0	15702
Previous open interest: 86123	Dec 97	4808.0	4858.0	4808.0	4858.0	184

MONEY RATES (%)

Base Rates: Clearing Banks 6%; Finance Hse 7
Discount Market Loans: O/night high: 7⅛ Low 6⅞ Week fixed: 6⅞
Treasury Bills (Dis): Buy: 2 mth 6⅝; 3 mth 6⅝. Sell: 2 mth 6⅝; 3 mth: 6⅝.

	1 mth	2 mth	3 mth	6 mth	12 mth
Prime Bank Bills (Dis):	6⅝-6⅝	6⅝-6⅝	6⅝-6⅝	6⅝-6⅝	
Sterling Money Rates:	6⅝-6¾	6⅝-6¾	6⅝-6¾	7⅛-7¼	7⅛-7¼
Interbank:	6⅝-6⅝	6⅝-6⅝	6⅝-6⅝	7⅛-7¼	7⅛-7¼
Overnight: open 6⅝, close 7⅛.					
Local Authority Deps:	6⅝	n/a	6⅝	6⅝	7⅛
Sterling CDs:	6⅛-6⅜	6⅛-6⅜	6⅛-6⅜	6⅛-6⅜	7⅛-7¼
Dollar CDs:	5.58	n/a	5.67	5.80	6.03
Building Society CDs:	6⅛-6⅜	6⅛-6⅜	6⅛-6⅜	7⅛-7¼	7⅛-7¼

EUROPEAN MONEY DEPOSITS (%)

Currency	7 day	1 mth	3 mth	6 mth	Call
Dollar:	5⅛-5¼	5⅛-5¼	5⅛-5⅜	5⅝-5¾	5⅛-5¼
Deutschemark:	3⅛-2⅝	3⅛-2⅝	3⅛-2⅛	3⅛-2⅛	3⅛-2⅛
French Franc:	3⅛-3⅛	3⅛-3⅛	3⅛-3⅛	3⅛-3⅛	3⅛-2⅝
Swiss Franc:	1⅛-1⅛	1⅛-1⅛	1⅝-1⅛	1⅝-1⅛	1⅛-⅝
Yen:	⅛-⅛	⅛-⅛	⅛-⅛	⅛-⅛	1-par

GOLD/PRECIOUS METALS (Baird & Co)

Bullion: Open $332.10-332.40 Close: $332.10-332.60 High: $333.60-334.10
Low: $331.70-332.50 AM: $331.45 PM: $332.15

Krugerrand: $331.75-333.75 (£200.50-202.50)

Platinum: $425.00 (£256.22) Silver: $4.66 (£2.815) Palladium: $192.00 (£115.75)

STERLING SPOT AND FORWARD RATES

Mkt Rates for July 2	Range	Close	1 month	3 month
Amsterdam	3.2504-3.2711	3.2504-3.2532	1¼-pr	3-2¾pr
Brussels	59.560-59.980	59.560-59.692	19-14pr	56-49pr
Copenhagen	10.997-11.066	10.997-11.007	¼-pr	¼-pr
Dublin	1.0921-1.1040	1.0980-1.1002	7-1pr	20-14pr
Frankfurt	2.8683-2.9067	2.8883-2.8914	¼-pr	2¼-2pr
Lisbon	291.35-293.29	291.35-291.69	¼-pr	¼-pr
Madrid	243.84-245.51	243.84-244.15	33-22pr	103-85pr
Milan	2811.7-2830.5	2811.7-2815.5	4-12dis	15-6dis
Montreal	2.2716-2.3027	2.2716-2.2738	0.68-0.62pr	1.35-1.27pr
New York	1.6498-1.6602	1.6498-1.6508	0.158-0.137pr	0.468-0.437pr
Oslo	12.088-12.171	12.088-12.103	¼-pr	¼-pr
Paris	9.7325-9.7980	9.7325-9.7401	2¼-2¼pr	8¼-8¾pr
Stockholm	12.779-12.886	12.779-12.817	¼-pr	¼-pr
Tokyo	188.09-190.27	188.08-188.95	1-apr	3-2¾pr
Vienna	20.322-20.456	20.322-20.345	¼-pr	1¼-1pr
Zurich	2.4229-2.4404	2.4229-2.4260	1¼-1pr	3¼-3¼pr

Source: Extel Premium = pr. Discount = dis

DOLLAR RATES

Australia	1.3269-1.3281
Austria	12.32-12.33
Belgium (Com)	36.14-36.15
Canada	1.3775-1.3780
Denmark	6.6683-6.6703
France	5.9035-5.9055
Germany	1.7518-1.7528
Hong Kong	7.7465-7.7475
Ireland	1.9095-1.9097
Italy	1705.40-1706.00
Japan	114.28-114.38
Malaysia	2.5240-2.5250
Netherlands	1.9716-1.9726
Norway	7.3325-7.3400
Portugal	176.67-176.77
Singapore	1.4298-1.4308
Spain	147.99-148.09
Sweden	7.7587-7.7662
Switzerland	1.4711-1.4721

OTHER STERLING

Argentina peso	1.6565-1.6593
Australia dollar	2.2015-2.2046
Bahrain dinar	0.6185-0.6305
Brazil real	1.7831-1.7976
China yuan	13.585-13.885
Cyprus pound	0.8470-0.8570
Finland markka	8.5625-8.6785
Greece drachma	453.0-459.0
Hong Kong dollar	12.8468-12.8578
India rupee	58.87-59.83
Indonesia rupiah	3967.7-4104.9
Kuwait dinar KD	0.496-0.5065
Malaysia ringgit	4.1858-4.1905
New Zealand dollar	2.4408-2.4440
Pakistan rupee	66.50 Buy
Saudi Arabia riyal	5.9700-6.0940
Singapore dollar	2.3713-2.3744
S Africa rand (com)	7.4700-7.5720
U A E dirham	6.0250-6.1490

*Barclays Bank GTS * Lloyds Bank*

FTSE VOLUMES

3i	314	Ladbroke	3,000
ASDA Gp	11,300	Land Secs	1,300
Abbey Nti	3,900	Legal & Gn	2,100
Alliance & Lelc	2,500	Lloyds TSB	7,100
Allied Dom	897	LucasVarity	3,200
AB Foods	493	Marks Spr	7,300
BAA	3,600	Mercury Asi	523
BAT Inds	6,100	NatWest Bk	6,700
BG	4,200	Nat Grid	2,400
BOC	558	Nat Power	2,400
BP	5,900	Next	2,200
BSkyB	5,700	Orange	1,300
BTR	6,200	P & O	2,500
BT	18,200	Pearson	1,500
Bk of Scot	3,100	PowerGen	2,400
Barclays	2,500	Prudential	2,300
Bass	1,700	RMC	185
Blue Circle	3,000	Railtrack	2,100
Boots	696	Rank Group	2,300
BAe	1,100	Reckitt Col	1,300
BA	4,600	Reed Intl	4,100
British Land	2,400	Rentokil	4,100
Brit Steel	12,000	Routers	4,800
Burmah Cstl	256	Rio Tinto	3,000
Cable Wire	7,300	Rolls Royce	3,700
Cadbury	1,100	Royal & Sun	2,600
Carlton Cms	1,800	Royal Bk Sct	1,700
Centrica	4,600	Safeway	4,500
Cm Union	3,500	Sainsbury	3,000
Dixons	3,400	Schroders	153
EMI	1,900	Scot & New	1,600
Energy Gp	1,400	Scot Power	1,700
Enterpr Oil	2,700	Svrn Trent	2,600
GKN	309	Shell Trans	11,400
GRE	3,000	Siebe	2,500
GUS	689	SmKl Bch	5,700
Gen Acc	187	Smiths Inds	126
Gen Elec	7,400	Std Chartrd	3,100
Glaxo Well	7,400	TI Gp	1,300
Granada	2,300	Tate & Lyle	2,600
Grand Met	5,700	Tesco	1,800
Guinness	4,900	Thames W	909
HSBC	2,700	Tomkins	2,800
Halifax	9,500	Unilever	1,600
Hanson	1,700	Utd Utilities	1,700
Hays	71a	Utd News	1,400
ICI	4,700	Vodafone	8,200
Imp Tob	1,100	Whitbread	394
Kingfisher	627	Wolseley	487
LASMO	1,900	Zeneca	1,100

WALL STREET

	Jul 2 midday	Jul 1 close
AMP Inc	42⅝	42⅝
AMR Corp	94	92⅝
AT & T	35⅝	36⅛
Abbott Labs	66⅛	65⅝
Advanced Micro	35⅛	34⅛
Aetna Life	103⅛	102⅛
Ahmanson (HF)	45¼	44⅝
Air Prod & Chem	83⅛	83⅝
Airtouch Comm	28⅛	28⅝
Albertson's	36⅛	36⅝
Alcan Aluminm	34⅜	34⅝
Allied Signal	86	84⅛
Alum Co of Am	75⅞	76⅛
Amerada Hess	55⅛	55⅛
Amer El Power	42⅛	42
Amer Express	75⅛	75⅛
Amer Genl Corp	48⅝	48⅞
Amer Home Pr	76⅛	76⅛
Amer Intl	149⅛	149⅝
Amer Stores	50⅛	49⅛
Amer Standard	45⅝	45⅛
Ameritech	66⅛	66⅝
Amgen	58⅛	58⅝
Amoco	89⅛	88⅞
Andrew Corp	28⅛	28⅛
Anheuser-Busch	41½	41⅝
Apple Computer	13⅛	13⅛
Archer Daniels	23⅛	23⅛
Armco	4	4
Armstrong Wrld	72⅛	74½
ASARCO	20⅝	21⅛
Atl Richfield	69⅝	70
Atmel Corp	26⅛	26⅛
Auto Data Pro	47⅛	47⅛
Avery Dennison	40⅛	40
Avon Products	71⅛	71⅛
Baker Hughes	40⅝	40
Baltim Gas & El	27⅛	27
Banc One	48½	48⅜
BankAmerica	66⅛	66⅛
Bank of NY	45	44⅝
Bankers Tr NY	89⅛	87⅞
Barnett Banks	53⅝	52⅞
Bausch & Lomb	47⅛	46⅝
Baxter Intl	58⅜	58⅛
Becm Dickinson	52⅛	53⅛
Bell Atlantic	74⅛	73⅝
BellSouth	47⅝	47⅜
Black & Decker	38	37⅝
Block (H&R)	33⅜	32⅛
Boeing	54⅝	54⅛
Boise Cascade	35⅝	35⅝
Boston Scien	61⅛	61⅛
Bristol Myrs Sq	82⅛	81⅛
Browning Ferris	35	35⅛
Brunswick	31	30⅝
Burlington Ntrn	91⅛	90⅝
CMS Energy Corp	39⅝	39⅝
CPC Intl	93⅝	93⅛
CSX	55⅝	55⅛
Campbell Soup	47⅝	47⅛
Carolina Pwr	36⅛	36⅛
Case Corp	65⅛	65⅛
Caterpillar	104⅝	105⅝
Central & SW	21⅛	21⅛
Champion Intl	55⅛	55⅝
Chase Manhat	103⅝	99⅛
Chevron Corp	75⅛	75⅛
Chrysler	33⅛	32⅝
Chubb Corp	67	66⅝
Cigna Corp	178⅛	179⅝
Citicorp	126⅝	127⅛
Clorox	130⅝	129
Coastal Corp	54⅛	54⅛
Coca-Cola	68⅝	68⅝
Coca Cola Ent	22⅛	22⅛
Colgate-Palm	66⅛	65
Columbia Gas	65⅞	65⅞
ColumbiaHCA	39⅜	39⅜
Compaq Comp	102⅛	101½
Comp Ass Int	54⅞	54⅛
Conagra	64⅝	64⅝
Cons Edison	29⅛	29⅛
Corn Nat Gas	54⅛	54⅛
Cooper Inds	50⅛	50⅝
Corestates	54⅛	53⅞
Corning

Before the bad news, some bad news

After the Budget you can hardly be expecting to feel cheerful, so why offer you more bad news? We might as well get it over with, as my dentist used to say as he ground my teeth. And it is important: the news which this column fears could cause furrowed brows all over the world long after we have adjusted ourselves Brown. In 11 words, it looks as if commodity prices are set to rise again.

Set to rise? Metal prices have in fact been rising strongly for months: in dollar terms, aluminium is up 22 per cent from its recent low, zinc 31 per cent, copper 26 per cent, and nickel 20 per cent. But only the producers care much. Crude metal prices are a tiny element in the index; and in this country the rise in sterling has partly masked world prices (though if Brown follows the advice he is getting from the likes of British Steel, they will be unmasked again soon). Oil is more important — more than 3 per cent of total costs — and that too looks to be on a stronger trend, strong enough, perhaps, to reverse its recent 20 per cent fall.

But food is the big one, the major item in family budgets. The sinister news here is an ocean away — the reappearance, earlier than expected, of El Niño, a warm sea current along the Pacific coast of South America. The impact on Peruvian fishing is something you might take in your stride with a sympathetic shrug; but El Niño also seems to upset the weather worldwide. Its last major appearance was in 1991-92; and then, as Stephen Lewis of London Bond Broking reminds us, wheat prices rose 17 per cent.

It would have been more had it not been for the vast US strategic grain reserve (I visited New Orleans about that time, and the grain barges lined the Mississippi four abreast as far as the eye could see). Not by 1994, when El Niño came back more mildly. Without that supply cushion, prices took off. Wheat rose 70 per cent, maize 90 per cent, and soybeans 25 per cent. Although stocks have recovered a bit since then, and the EU



ANTHONY HARRIS

abandonment of set-aside looks very timely, prices could again be highly sensitive to a poor world harvest.

Investors can position themselves: buy commodity futures, and go longer in bonds. The last time round, the Fed raised short rates sharply and managed to contain inflation — and we might expect monetary authorities everywhere to follow that successful example.

If prices are led by oil (provoked, perhaps, by Saddam Hussein in his new attempted jihad), this would deepen the ban's existing dilemma: the pound tends to rise with oil, and it is already too high. A matter, surely, of keeping a step behind the pack.

But fiscal policy is a dilemma for everyone. The fundamental problem: should policy aim to reinforce tight monetary policy in restraining demand, and so prevent a bulge in inflation? Or should it offset the deflationary result of higher import prices (which suck demand out of the economy), and so protect employment? We tried both in the first oil crisis, and got the worst of all worlds — global inflation and a near-slump.

We tightened both strings after 1989, and got a world recession, and a near collapse in Japan. And this time, it may all happen in the run-up to the euro, with policy paralysis across the Channel.

The instinct of the politicians will be to huddle together in meetings, in the name of a co-ordinated response; it would be hard to devise any more effective way of making the worst of a bad job. The normal result of such efforts (see above) is that we all make the same mistake at the same time, which only amplifies the bad effects.

Much better: stay at home, and let each country make its own mistake, hoping that on the global scale, they will cancel each other out. But real-life politicians cannot stomach such agreements to disagree. They need to be seen to be trying to do something.

As an immediate response, only one helpful possibility suggests itself. When you have finished sticking pins into your wax Chancellor tonight, say a prayer for better weather — especially along the Pacific coast of South America.

Millionaire minister prepares to put utility fat cats on a diet

Valerie Elliott meets the man charged with implementing Labour's windfall tax



Geoffrey Robinson works extra hours at the office to avoid taking work home in a ministerial red box

He is one minister who can guarantee finding favour in Whitehall because he signs expenses cheques for civil servants. The Paymaster-General is a curious title and Geoffrey Robinson is clearly amused by it. He also recognises the irony that Tony Blair has appointed a multimillionaire MP to take charge of the nation's chequebook.

Mr Robinson has not yet been formally sworn in to the post and for the moment this is one area of the national finances where the Conservatives still hold sway — the cheques are still being signed by David Willetts, the former Paymaster-General who resigned from the Conservative Government for "dissembling".

Mr Robinson is not at all perturbed: "I have signed too many cheques in my lifetime already."

The new Treasury Minister is rather a rare species in Labour terms. He has not only been a Labour MP for over 20 years but has experience of industry at the highest level — he was chief executive of Jaguar cars at 33 — and has since built up a personal fortune of at least £30 million. He joined the ranks of the seriously rich when he built up TransTec, the high-tech manufacturing company that was successfully floated in 1991. He later purchased *The New Statesman*.

Then there are his five houses — a Mayfair penthouse, a Lutyens mansion near Goldalming, Surrey, another Lutyens house being restored by the River Test in Hampshire, a home in Cannes, and a villa in Tuscany, his best known and favourite property, which he lent to the Blairs for their summer holiday last year. He will lend it to them again this year.

After yesterday's Budget, however, Mr Robinson hopes to be more widely associated with his role in tackling the "fat cats" from the privatised utilities. It is his job to implement the windfall tax and it is clear that he relishes the prospect.

He also believes that it is a policy that has won friends in business. He knows plenty of people who are rich and run successful companies but they have never been cushioned with the guarantee of easy profits and salary bonuses. They detest the "fat cats" as much as the man in the street. Mr Robinson is determined that the Labour Government will not allow anyone else to have such easy money. If the Government does approve some future privatisations, he cautioned, "they are certainly not going to have this unbridled licence for people to make themselves very wealthy in a short period of time. We will have to ensure that any future terms are not open to this sort of abuse.

"I think the Treasury should have had more of a say in what went on in these companies. I think many of the companies were sold too cheaply, they were too laxly regulated and some steps should have been taken to limit the extent of individual benefits to directors." Mr Robinson has already been identified as the man who will have the most influence on Labour's industrial policy. He sidesteps the accolade, but accepts that an important part of his job is to "keep the Treasury in the real world". He hopes that his experience in manufacturing and industry will help him to influence Treasury officials, who, however able and distinguished, do not have experience of the real world of manufacturing and industry.

His influence has already been apparent in the businessmen appointed by Tony Blair and the Chancellor to various task forces. It is Mr Robinson who has been coming up with the names. He is also heavily involved in the Welfare to Work proposals and has set about rescuing the Private Finance Initiative. He believes that if it works properly and can deliver value-for-money it can help to transform the country's schools, hospitals and prisons.

For all his wealth and influence, Mr Robinson has his feet firmly on the ground — when he is not working out at the Grosvenor House gym where his nightly "brisk walking" target is three miles during the week and five miles at weekends.

He has given up the ministerial salary that goes with his job but continues to collect his £43,000-a-year MP's pay. He was unhappy that this had got into the press, but did not mind talking about it. "I volunteered it to Gordon and said I would be very happy to do this if it would help the Government."

He also thought twice about accepting his state car — a red Ford Mondeo estate — and government driver. After many years in the motor industry, cars are a passion for Mr Robinson, who is the proud owner of two Daimlers. He admitted that he had been tempted to use his own car and chauffeur but did not wish to upstage the Chancellor: "I did not think it would be well viewed by my colleagues. Perhaps at some future date I might change my mind."

He was more assertive in challenging one of the *shibboleths* in Whitehall: he has refused to take home a red box with overnight work. "I was determined not to be snowed under by the thing. So many ministers have said it ruined their normal life."

Instead, he — and his private office — are putting in more hours at the Treasury to compensate. It meant that last weekend as the finishing touches were being made to the Budget, Mr Robinson was able to fly to Cairo to see his wife, Marie Elena Giorgio, the Italian opera singer, perform Amelia in Verdi's *Un Ballo in Maschera*.

That was also an opportunity to catch up with his son, Alexander, who is taking a year out travelling in Africa. Veronique, the daughter, who is an accountant at Coopers & Lybrand, completes the close family, and Mr Robinson clearly believes that it is a badge of some credit that both his children are Labour Party supporters.

Mr Robinson became involved in the Labour Party when he was studying at Yale. He was inspired by Jack Kennedy and when Harold Wilson visited Yale he met the young Robinson and said he was looking for bright young men to join the Labour Party.

It is clear that Mr Robinson is similarly enthused by new Labour and Blair's Britain. The atmosphere reminds him of the Kennedy days.

"Tony Blair is setting a very modern prime ministerial style and I think that accurately reflects the extraordinary strong personality that he is. It really is genuine. The other night he came in to a series of Gordon Brown's receptions, there he was with his coat over his shoulder. He is very natural and he has struck a chord and people are responding to it."

This was probably why he joined in the defiant stand by the Chancellor to turn up at the black-tie Mansion House dinner in a lounge suit.

He appeared to be embarrassed by the stunt and said: "Gordon was not going in black tie and so I didn't ... I've got a black jacket and it still fits me after 30 years." He seemed unsure if he would repeat the gesture.

BUSINESS LETTERS

Bonus is all in the Boots budget

From D. H. Rhoades and D. H. Marcus

Sir, Your article ("Boots directors awarded £600,000 in bonus scheme", June 26) implies that the Boots short-term bonus scheme is inappropriate and not in the best interest of shareholders because it provides a modest payout for performance at 95 per cent of budget. This interpretation is far from the truth. We know because we helped to design the plan.

The article suggests that no company should pay bonuses for performance below budget, because budget represents "doing your job". Yet over one in three companies in the UK begin bonus payouts below budgeted performance, while in the US this figure is much higher. Are all these companies doing their shareholders a disservice? Clearly not. The real question is how aggressive is the underlying budget and how sensitive is the total remuneration package to performance and to increases in shareholder value. It may be more appropriate to pay for slightly missing an aggressive budget than for exceeding a "soft" budget.

Moreover the practice of establishing budget as the "line of demarcation" for bonuses can have negative implications for the business and for shareholders. It encourages game playing and conservative or negotiated budgets. It may lead to short-term actions given the pressure to cross the budget hurdle and be "in the money".

Pay excesses do occur and should be visible in the press. Boots clearly is not one of the excesses. The company goes through a rigorous planning process resulting in aggressive manual profit objectives that, contrary to our experience with many companies, is by no means a guarantee. In addition, the company takes seriously the objective of linking pay directly to performance. Most importantly, Boots is widely recognised as a top performer. Based on a 1996 SCA study, Boots consistently has outperformed other UK retailers in returns to shareholders, while building a strong reputation for employee relations and community investment.

Yes, Boots does provide for modest bonuses for achieving 95 per cent of the company's profit objectives (as long as profit exceeds prior year results, otherwise no bonus is payable). However, few investors would take issue with such payments given the aggressiveness of the budgets, the company's performance culture and the company's recent performance.

Yours faithfully,
DAVID H. RHOADES and
DANIEL H. MARCUS,
Directors of SCA Consulting,
Wellington House,
125 Strand, WC2.

Ban system falls short

From Mr Nigel Wilkins

Sir, I welcome the commitment shown by Nigel Griffiths, Consumer Affairs Minister, to curb the activities of unscrupulous company directors ("Cowboy directors under fire", June 6).

However, unlike him, I doubt whether the current director disqualification procedures are adequate for the task. Even taking account of the recent increase in the number of disqualifications, the total remains very small in relation to the large volume of adverse reports sent to the DTI by company liquidators.

There remain a number of difficulties in obtaining a disqualification order in court. These problems could be overcome by the automatic disqualification of directors in certain clearly defined circumstances, eg, conviction for fraud or theft, or persistent failure to submit company accounts on time.

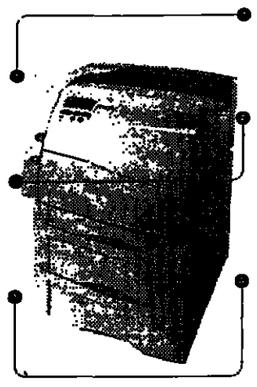
There must also be a limit to the number of companies that any one individual is allowed to fail. Even if bad luck is the cause, there is no reason why innocent creditors should continue to share in the bad luck of certain individuals.

Yours faithfully,
NIGEL WILKINS,
8 Petersham House,
Harrington Road, SW7.



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Warburg win

IT NEVER rains but it pours for NatWest Markets. The eagerly-awaited Extel survey of investment analysts has NatWest Securities toppled from top place by SBC Warburg, in both the All Sectors League and in UK Sectors. The awards were given out by Marjorie Scardino, chief executive of Pearson, at Guildhall yesterday. Coming up fast on the inside is Merrill Lynch, third in All Sectors from sixth place last year. The results represent a welcome return to form for Warburgs, which until last year was five years in the top slot. Some comfort for NatWest: Fergus MacLeod, the oil man there, stays as *capo di capi* among individual analysts. And NatWest beat both Warburgs and Merrills in a new league table for research of pan-European sectors.

As a sly side-swipe, the survey of fund managers finds that the two houses that are seen as focusing most on research for institutional clients — the people one assumes they should be working for — are Dresdner Kleinwort Benson and HSBC James Capel. By contrast, Goldman Sachs's research is mainly driven by corporate deals, it seems.

The awards are always a nerve-racking affair: the mad dash for the documents, the anxious knots of people gathered around them — just like waiting for your exam results, but with no long holiday to look forward to afterwards. It was made more fraught by the Budget, which meant all had to leave early — and by the jobsworth at Guildhall who locked the cloakrooms, so preventing anyone who had deposited briefcases and wanted to leave early from doing so. Thanks a lot.



"I'm cutting up my *Which?* magazine as I'm no longer going to use it"

● *Easy Rider lives. Contrary to reports elsewhere, David Crossland, the chairman and founder of holiday firm Airtours, is not about to relocate to California, even if he has a home there. He will not, therefore, have more time to fulfil one of his lifelong ambitions, either. The man who looks like a mild-mannered trainspotter and runs Airtours with a rod of steel has long dreamt of touring the length of the Pacific Coastal Highway on a Harley-Davidson.*

THE TIMES CITY DIARY

No poaching

RUMOURS that Sir Andrew Large, retiring head of the Securities and Investments Board, might have been approached to run NatWest Markets in the absence of Martin Owen are well wide of the mark. No approach has been made, I understand, and nor would one be welcomed. Sir Andrew apparently takes the view that it would be difficult to swap a job in which he was being required to launch an investigation into an organisation for one running it. Common sense, if you think about it. Poachers may make very good gamekeepers; but gamekeepers should not consider taking up poaching.

SIB-suited

WHILE we are on the subject, my suggestion that Kenneth Jordan, head of the highly successful Knight Williams action group, might be an ideal person to represent small investors on the planned super-SIB City regulator, has sparked an unexpected reaction. It has prompted Jordan to stand for just such a post, once he has worked out how. "I know what's going on, and if I can persuade the powers that be to invite me onto the SIB board, it will be in the interests of all small investors. At the moment we only know what the regulators want us to, and we are disadvantaged."

On the ball

GREAT excitement at the Treasury a few days back. Geoffrey Robinson, the Paymaster-General, was hopping from foot to foot about a fax he was expecting. Straight to him, no delays, enormous importance. Staff were agog. Some Budget bombshell? It arrived, pretty well labelled "Top Secret". Somebody sneaked a look. It was the fixtures list for the next season's games at Coventry City Football Club, of which Robinson is a keen fan.

● *I AM not at all sure that I believe this but it seems the Thatcher Revolution has hit something of a consumer backlash in the northern Japanese city of Sendai. A group of aggrieved residents are suing the council, and demanding that the mayor sacks four town hall officials. Their complaint is the $150,000 the council paid to Lady Thatcher to deliver a two-hour lecture last year. Yes, that was $150,000 and, yes, two hours. Presumably not in Japanese either because I don't believe that the Iron Lady has added the language to her many accomplishments, so few may have understood her anyway. The action group insists the bill constitutes "irrational spending" and wants the authorities to seek a refund. Dream on.*

MARTIN WALLER



Baroness Thatcher: Japanese protesters want a refund on the $150,000 she was paid to lecture

Fyffes in Ir£22m Dutch buy

Fyffes, the Irish fruit distributor, is to pay Ir£22.2 million to take full control of Velleman & Tas, a Dutch banana company.

It has been a shareholder in the Dutch company for three years and is now taking control of the 50 per cent it does not own.

Fyffes reported a 2.6 per cent fall in pre-tax profits to Ir£20.2 million in the six months to April 30, due to lower selling prices because of market oversupply. The interim dividend was Ir0.57p (Ir0.52p).

Vega slips

Vega, the software systems group, suffered a 5.5 per cent fall in pre-tax profits for the year to March 30 to £3.26 million. Earnings fell to 13.8p a share from 16.2p. An unchanged final dividend of 3.5p will be paid on September 5, lifting the total to 5.41p from 5.25p previously.

SIG expands

SIG, the insulation distributor, is paying £36 million for three businesses in Britain and America. The roofing products division of Asphaltic Roofing Supplies, with 50 UK outlets, was acquired for £25 million. Distribution International and Branton Industries operate on the US Gulf Coast.

TOURIST RATES

	Bank Buys	Bank Sells
Australia $	2.29	2.13
Austria Sch	21.29	19.74
Belgium Fr	62.72	58.08
Canada $	2.394	2.219
Cyprus Cypf	0.895	0.828
Denmark Kr	11.57	10.74
Finland Mkk	9.15	8.45
France Fr	10.18	9.46
Germany Dm	3.05	2.82
Greece Dr	481	444
Hong Kong $	13.55	12.42
Iceland	127	107
Ireland Pt	1.15	1.06
Israeli Shk	6.17	5.52
Italy Lira	2984	2763
Japan Yen	203.50	187.10
Malta	0.672	0.616
Netherlds Gld	3.438	3.160
New Zealand $	2.59	2.36
Norway Kr	12.68	11.81
Portugal Esc	303.50	283.00
S Africa Rd	8.18	7.27
Spain Pta	255.00	237.50
Sweden Kr	13.60	12.56
Switzerland Fr	2.57	2.27
Turkey Lira	256128	237549
USA $	1.753	1.619

Rates for small denomination bank notes only as supplied by Barclays Bank PLC. Different rates apply to traveller's cheques. Rates as at close of trading yesterday.



Anthony Habgood, left, with David Williams, Bunzl managing director, were approached by Filtrona shareholders

Bunzl to reunite branches

By Oliver August

BUNZL, the manufacturer of cigarette filters, has agreed to buy American Filtrona (AFC), a competitor, for $178 million. The deal brings together the two branches of the Bunzl family whose century-old packaging empire was split when the Jewish family left Austria after the German *Anschluss* in 1938.

Most family members fled to Britain where they set up Bunzl, which trades as Filtrona around the world except in America where Robert Bunzl founded American Filtrona.

Bunzl was approached earlier this year by Walter Bunzl, Robert Bunzl's son and a major shareholder in American Filtrona. The other major shareholder, Rudolph Bunzl, Robert Bunzl's other son, also agreed to sell his stake.

Anthony Habgood, the Bunzl chairman, said: "AFC is an excellent fit with Bunzl and this acquisition is in the best interest of both companies."

Tempus, page 32

Cinven to form largest private hospitals group with £1bn deal

By Paul Durman

CINVEN, the investment firm that used to be part of the British Coal pension fund manager, is poised to create Britain's largest private hospital group after a £1.1 billion deal with Compagnie Générale des Eaux, the French utility conglomerate.

Cinven is acquiring General Healthcare Group, which employs 6,000 people at 37 hospitals in England, as part of the purchase of Générale des Eaux's hospital division. This also includes Compagnie Générale de Santé, the largest private hospital group in France which has a total of 98 hospitals and 9,000 employees. Cinven claimed that the deal is the largest management buyout in Europe this decade.

Simon Rowlands, a director of Cinven, said the investment firm intends to combine General Healthcare with Amicus Healthcare, a 15 hospital business that Cinven bought in December 1995.

With combined sales of about £330 million, the enlarged business will overtake Bupa as the largest private hospital and healthcare provider.

Mr Rowlands said the merger of Amicus and General Healthcare could take place before the end of the year. He said: "We will have a business that will be substantial and eminently floatable." Cinven intends to run Générale de Santé separately, recognising the very different French market.

Générale des Eaux is retaining a 20 per cent stake in Générale de Santé, which is four times bigger than its nearest rival.

Although the French business is larger, it is less profitable and accounts for only about £500 million of the total £1.1 billion of funding. Mr Rowlands said a significant capital expenditure programme was needed, and described the French investment as "a five-year deal".

In all, Cinven has invested about £225 million of equity in the two companies.

ABN Amro is working with Cinven to find equity backers for Générale de Santé. Unusually for the venture capital industry, Cinven was advised by N M Rothschild, which was instrumental in recruiting ABN Amro to the deal.

General Healthcare has 26 private acute hospitals with 1,419 beds, and a further 11 psychiatric hospitals with 740 beds. It is profitable on turnover of about £250 million.

Générale des Eaux put its hospital division up for sale, having decided to move into the media.

Last November Cinven raised its first independent fund of £300 million.

Kalamazoo finds £1.2m black hole

By Fraser Nelson

KALAMAZOO, the computer services and printing group in talks with potential bidders, has found a £1.2 million black hole in the books of its accounting software division.

The company, which sells specialised book-keeping software to motor dealers, blamed the loss on unnamed managers who keyed in phantom profits to cover up disappointing trading results and have since been dismissed.

Robert Jordan, chairman, said the fraud was an isolated exercise and did not involve embezzlement. The write-down reduced pre-tax profits to £3.88 million (£5.88 million) in the year to March 31. Earnings fell to 6.8p a share (10.2p). The total dividend rises to 4.25p (4.15p) with a final of 3.05p. Kalamazoo also announced a £3.4 million profit on the £12.5 million sale of its security printing division to Adare Printing Group.

Although Lynx Holdings withdrew from takeover talks last month, Mr Jordan said that negotiations were taking place with other parties.

Salisbury brewery closing

GIBBS MEW, the Wiltshire brewer famous for its Bishop's Tipple, yesterday announced the closure of its Salisbury brewery after 90 years (Dominic Walsh writes).

The company, whose shares plummeted last December after a shock drop in interim profits, is to outsource production and packaging of its beers to Ushers of Trowbridge. Redundancies are expected among the 21 staff affected.

The announcement came as Gibbs Mew unveiled a drop in profits before tax and exceptionals from £5.2 million to £3 million, in line with analysts' expectations. The final dividend is unchanged at 6p, making 10p for the year.

BUSINESS ROUNDUP

Millennium forced to name new head

MILLENNIUM & COPTHORNE HOTELS has been forced to appoint a new head after its first choice, John Wilson, became bogged down in contractual wranglings with his current employer, the Ladbroke subsdiary Hilton International. The company announced yesterday that John O'Shea would become managing director later this month. Mr O'Shea, a 26-year veteran of Inter-Continental Hotels, is currently chief operating officer of CDL Hotels International, the Singapore company that owns 55 per cent of Millennium.

Mr Wilson's resignation as chief operating officer of Hilton was confirmed in an internal Ladbroke memo three weeks ago, but his intended move to Millennium appears to have provoked fears that he might take with him his best staff and a number of hotel development opportunities. A spokeswoman for Millennium said: "Mr O'Shea was the best candidate."

BG to expand in India

BG, the former British Gas, is investing £37.3 million in India. The company is to acquire a 44.31 per cent stake in Gujarat Gas Company from Mafatlal Industries and the Hindustan Oil Exploration company for £25.7 million. Under Indian takeover rules, it is also required to make a public tender for up to a further 20 per cent of Gujarat's shares at an additional cost of £11.6 million. Gujarat's sales last year were £19 million and net income was £4.2 million.

EU fears Boeing deal

THE European Union remains unmoved by US regulatory approval of the merger of Boeing and McDonnell Douglas. Under EU law, the European Commission can block mergers, including those that involve non-European companies, if it feels that these will adversely affect fair trade within the European Union. The EC has expressed concern about the huge market position of the new company emerging from the $13.3 billion merger.

Jury's checks in 45% rise

PRE-TAX profits of Jury's, the Irish hotel group, climbed 45 per cent last year, helped by strong corporate and tourist demand. Profits rose from Ir£9.51 million to Ir£13.82 million in the year to April 30 on turnover ahead 17 per cent to Ir£57.72 million. Jury's has 15 hotels and inns across Ireland and Britain. New hotels were opened in Dublin, Limerick and Belfast. Average room rates rose 10 per cent, said Jury's, with occupancy at between 75 per cent and 80 per cent.

Ferguson chief resigns

DAVID WATSON, chief executive of Ferguson International Holdings, resigned yesterday after only nine months in the job. His resignation was announced as the labels company gave a profits warning, prompting its shares to fall 6p to 158p. Ferguson said relocation caused disruption at its plants at Pan Yu in China and Park Royal in the UK. Pre-tax profits for the six months to August 31 are now likely to be not less than £5 million, with maintained interim and final payouts.

Matheson man fined

THE Securities and Futures Authority (SFA), regulator of brokers and futures dealers, has fined a broker's client account manager over his investment strategy. Thomas Arthur, who managed the accounts of 250 clients of Matheson Securities, was fined £8,000 with costs of £4,673. The SFA said he used an investment strategy for two discretionary clients involving frequent dealings which led to losses. Matheson was fined £15,000 with £7,500 costs and £15,951 compensation.

Norbain slides to £3.8m

NORBAIN, the closed-circuit television supplier, suffered a fall in pre-tax profits to £3.8 million, from £5.3 million, in the year to April 30. The fall reflects a charge of £953,000 for goodwill and other costs written off against the sale of AlarmExpress, its loss-making intruder alarm business. The sale to Gardiner Group is for a nominal sum but involves the buyer repaying £2.15 million of inter-company debt. A proposed final dividend of 5.5p (5p) makes a total of 8.5p (7.5p).



LEGAL & PUBLIC NOTICES 0171-782 7344

LEGAL NOTICES

No. 001856 of 1997
IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT
IN THE MATTER OF ROTHSCHILD ASSURANCE HOLDINGS plc
- and -
IN THE MATTER OF THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice (Chancery Division) dated 23rd June 1997 sanctioning the Scheme of Arrangement and confirming the reduction of the capital of the said Company from £106,521,501 to £74,017,222.16 divided into 1,583,054 'A' Ordinary Shares of 1p each, 140,000,000 'B' Ordinary Shares of 1p each, 59,772,325 'C' Ordinary Shares of 1p each, 18,470,067 'D' Ordinary Shares of 1p each, 9,200,000 1991 Zero Dividend Convertible Redeemable Preference Shares of £1 each, 45,000,000 1991 'S' Zero Dividend Convertible Redeemable Preference Shares of £1 each, 10,000,000 1992 'S' Zero Dividend Convertible Redeemable Preference Shares of £1 each, 7,449,067 1994 'S' Zero Dividend Convertible Redeemable Preference Shares of £1 each and the Special Rights Redeemable Preference Shares of £1 and the Minutes approved by the Court showing with respect to the capital of the Company as altered the several particulars required by the above-mentioned Act were registered by the Registrar of Companies on 25th June 1997.
Dated this 2nd day of July 1997
Herbert Smith
Exchange House, Primrose Street
London EC2A 2HS
Solicitors for the above named Company

No. 002626 of 1997
IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT
IN THE MATTER OF MANNESMANN HOLDINGS UK LIMITED
- and -
IN THE MATTER OF THE COMPANIES ACT 1985

NOTICE IS HEREBY given that a Petition was on the 9th day of June 1997 presented to Her Majesty's High Court of Justice for the confirmation of the reduction of the above capital of the above-named Company from £104,668,000 to £5,000,000 by returning capital which is in excess of the wants of the Company.

A NOTICE IS FURTHER GIVEN that the said Petition is directed to be heard before the Companies Court Registrar at The Royal Courts of Justice, Strand, London WC2A 2LL on the 16th day of July 1997.

ANY Creditor or Shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the said reduction of the Share Capital should appear at the time of the hearing in person or by Counsel for that purpose.

A copy of the said Petition will be furnished to any such person requiring the same by the undermentioned Solicitors on payment of the regulated charge for the same.
Dated this 26th day of June 1997
EVERSHEDS
Senator House, 85 Queen Victoria Street
London EC4V 4JL
Tel: 0171 919 4500
Fax: 0171 919 4919
Ref: JMH/NGN
Solicitors for the above-named Company

THE INSOLVENCY ACT 1986
ADAMS & NEVILS ASSET MANAGEMENT LIMITED
(IN LIQUIDATION)

David Fallen hereby gives notice that on the 25th day of June 1997, he was appointed Joint Liquidator of the above-named Company.
NOTICE IS HEREBY GIVEN that the Creditors of the above named company are required on or before the 25 July 1997 to send in their full names and addresses, full particulars of their debts or claims, and the names and addresses of their solicitors (if any) to David Fallen of Ernst and Young, Beaufort House, 1 Lambeth Palace Road, London SE1 7EU, and if so required by notice in writing from him, are personally or by their solicitors to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.
Dated this 26th day of July 1997
D J Fallen, Joint Liquidator

THOMAS TOWNEND & COMPANY LIMITED
AND
EVERITT W YEND & COMPANY LIMITED
(BOTH IN CREDITORS VOLUNTARY LIQUIDATION)
THE INSOLVENCY ACT 1986

NOTICE IS HEREBY GIVEN in accordance with the provisions of Rule 11.2 of the Insolvency Rules 1986 that a first and final dividend will be paid within a period of four months from the last date of proving. The last date for creditors to prove claims is 16th September. Creditors of the above named Companies should send their addresses, descriptions and full particulars of their debt or claims to Peter J Dunn FCA, Latham Crossley & Davis, Sherlock House, 7 Kendal Place, London W1B 3HP. Under Rule 11.9(2) a Liquidator is not obliged to deal with claims lodged after the date of proving.
DATED THIS 30TH DAY OF JUNE 1997
P S DUNN (Liquidator)

PEGASUS SPECIALIST CYCLES LIMITED
PAGEHAM LIMITED
(BOTH IN ADMINISTRATIVE RECEIVERSHIP)

NOTICE IS HEREBY GIVEN, in pursuance of Section 48 of the Insolvency Act 1986, that a meeting of the creditors of the above-named companies will be held at Arthur Andersen, 1 Surrey Street, London on Friday 11 July 1997 at 11.00am for the purpose of having an account laid before them, showing the events leading up to the appointment of the Joint Administrative Receivers, the manner in which the administrative receivorships have been conducted and the property of the companies disposed of, and of hearing any explanation that may be given by the Joint Administrative Receivers. Creditors whose claims are wholly secured are not entitled to attend or be represented at the meeting. A person is entitled to vote at the meeting only if: 1. He has given to the Joint Administrative Receivers, not later than 12.00 hours on the business day before the day fixed for the meeting, details in writing of the debt that he claims to be due to him from the companies, and the claim has been duly approved. 2. There has been lodged with the Joint Administrative Receiver, any proxy which the creditor intends to be used on his behalf.
DATED this 1st day of July 1997
P BAILEY, Joint Administrative Receiver

The Insolvency Act 1986
METALTYRON LIMITED
(In Liquidation)
NOTICE IS HEREBY GIVEN that P E Dunn FCA of Latham Crossley & Davis, Sherlock House, 7 Kendal Place, London W1B 3HP was appointed Liquidator of the said Company by the creditors on 16th June 1997.
Dated this 16th June 1997
P S DUNN, Liquidator

LEGAL, PUBLIC, COMPANY & PARLIAMENTARY NOTICES
TO PLACE NOTICES FOR THIS SECTION PLEASE TELEPHONE
0171 680 6878
OR
FAX: 0171 481 9313
Notices are subject to confirmation and should be received by 2.30pm two days prior to insertion.

PUBLIC NOTICES

South London Hospital for Women Trust

The Trustees of the South London Hospital for Women Trust have made an application to the Secretary of State for Education and Employment under Section 78 of the Sex Discrimination Act 1975 for an Order to remove the sex discrimination provisions from the terms of the Trust for the establishment of a Chair for the teaching of some department of medical or surgical science or practice at the University of London, as set out in an indenture of 29 May 1913. A draft of the Order may be inspected at Senate House, University of London, Malet Street, London WC1E 7HU. Any person wishing to make representations to the Secretary of State regarding the proposed Order may do so by sending them to the Legal Directorate, Department for Education and Employment, Caxton House, Tothill Street, London SW1H 9NF within one month of the date of publication of this notice.

PUBLIC NOTICES

FLOOD, FREDERICK AMBROSE
FLOOD otherwise FREDERICK FLOOD late of Penzance, London SE15 died there on 6 January 1996 (Estate about £11,000)
HART, LILY HART otherwise LILIAN HART SPINSTER late of Northampton, died there on 1 January 1997 (Estate about £50,000)
HEANEY, MONICA HEANEY SPINSTER late of Frensham, Surrey died at Frimley, Surrey on 23 April 1997 (Estate about £100,000)
HOLROYD, HARRY HOLROYD late of Romford died there on 29 December 1996 (Estate about £20,000)
JACOBS, BEATRICE BELLA JACOBS otherwise BEATRICE JACOBS SPINSTER late of Colindale, London NW9 died there on 27 August 1996 (Estate about £58,000)
KAMINSKA nee COATES, FREDA WINIFRED KAMINSKA nee COATES WIDOW late of Bottisham, Cambridge died there on 10 January 1997 (Estate about £7,000)
KOLATS, NIKOLAS KOLATS otherwise NICHOLAS KOLATS late of Kettering, Northamptonshire died there on 6 September 1996 (Estate about £16,000)
LADD, VICTOR JOHN LADD late of Ashtead, Surrey died there on 2 March 1997 (Estate about £68,000)
LAWRENCE, FREDERICK ARTHUR GEORGE CAVLIFFE LAWRENCE otherwise FREDERICK ARTHUR GRAHAM CALED LAWRENCE late of Hendon, London NW4 died at Ware, Hertfordshire on 4 August 1996 (Estate about £5,000)
OMIDIRE otherwise ROCKLAND, JOSEPH OMIDIRE otherwise JOSEPH OMIDIRE ROCKLAND late of Bethnal Green, London E2 died at Whitechapel, London E1 on 29 July 1988 (Estate about £5,000)
PATERSON, WILLIAM PATERSON late of Strood, Rochester, Kent died there on 18 September 1996 (Estate about £5,000)
PIDHENY, JEWDOCHA PIDHENY WIDOW late of Little Comberton, Worcestershire died at Worcester on 10 December 1992 (Estate about £6,600)
SHORT, EMILY FLORENCE SHORT otherwise FLORA EMILY SPINSTER late of Hampstead, London NW3 died there on 18 August 1994 (Estate about £9,000)
SUTTON, HENRY JAMES ALBERT SUTTON otherwise HENRY JAMES SUTTON late of Milton Keynes, Buckinghamshire died there on 13 March 1995 (Estate about £5,000)
WALLACE, ROBERT THOMPSON WALLACE late of Basildon, Essex died there on 5 November 1996 (Estate about £12,000)
WATTS nee PARKER, KATHLEEN JEAN WATTS nee PARKER WIDOW late of Portsmouth, Hampshire died there on 6 September 1996 (Estate about £60,000)

The kin of the above-named are requested to apply to the Treasury Solicitor (PV), Queen Anne's Chambers, 28 Broadway, London SW1H 9JS, stating which the Treasury Solicitor may take steps to administer the estate.

SZCZEPANSKA nee KOZIELSKA, KAZIELAWA SZCZEPANSKA nee KOZIELSKA MARRIED WOMAN late of Wilmslow, London NW2 died there on 11 August 1996 (Estate about £22,000)

The husband and kin of the above-named are requested to apply to the Treasury Solicitor (PV), Queen Anne's Chambers, 28 Broadway, London SW1H 9JS, stating which the Treasury Solicitor may take steps to administer the estate.

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ACCOUNTANCY

Time to debate our treatment of R&D costs

Isobel Sharp on the moment at which experiments come to an end and a bright idea becomes an asset

For as long as anyone can remember, British governments have been worrying about the country's relatively poor record of investment in research and development. Last week saw another batch of headlines with the publication of the DTI's seventh annual R&D scoreboard. The UK performance is not improving; indeed, the gap between our R&D/sales ratio and that of other large industrialised countries is gently widening.

This political interest has been one of the reasons why R&D accounting has received considerable interest in the standard setting era. However, it may be time for the accountants to move the goalposts. At least, that may be the view of some on reading this month the conclusion of the study by the Scottish Institute of Chartered Accountants (ICAS) into R&D accounting. Its working party has concluded that the existing accounting standard, SSAP13, originally issued in 1977 and revised in 1989, should be withdrawn and replaced with new rules. Under SSAP13, all research expenditure is written off as incurred and development costs are allowed (but not required) to be deferred to future periods if specified conditions are met.

The first change would be that the focus should be on innovation, and not simply R&D. R&D is narrowly defined in SSAP13 and is associated with activities in scientific and technical laboratories. While such activities are extremely important, what counts in successful companies is the ability to innovate, to bring new products and services to the market.

The other major change would be for the UK to adopt one standard accounting treatment, namely to require companies to write off expenditure up to a point, but then to recognise as assets investment in new products or services that the companies intend to exploit commercially. That point, in colloquial terms, is when experimentation stops and the commitment to launch is made. In accounting terms, it is the point at which an asset, being "rights or other access to future economic benefits controlled by an entity as a result of past transactions or events", is created.

Adoption of these proposals should place another small brick in the wall of international harmonisation. China is the venue of this month's International Accounting Standards Committee meeting. One of the agenda items is to revisit its standard, IAS9, on R&D accounting, which at present broadly follows the SSAP13 approach. However, this activity may leave unmoved standard setters in the US. Its longstanding standard, SFAS2, requires that all expenditure be expensed in the profit and loss account as incurred. Whether the US will change is difficult to predict. A later standard, SFAS86, on computer software development, takes a different stance. It requires that once the technical feasibility of software has been established, all costs should be capitalised and written off over the product's remaining economic life. This may suggest that there is room for movement in US thinking on R&D generally.

The question for the UK is whether we want to change SSAP13.

Based on the admittedly limited survey by the ICAS working party, a change in SSAP13 to remove the route of immediate write-off of all R&D costs would not be popular with finance directors. Numerous reasons are given. One is irrefutable, at least by accountants. That is the potential tax consequences.

The present taxation system gives immediate relief for R&D spending. If the method of accounting were to change to require capitalisation at the time at which an asset may be recognised, the Inland Revenue and the courts might wish to follow the accounting treatment, a trend that has been evident in recent years.

Loss of immediate tax relief would hit hard British companies' cash flow. Their ability to invest for the future would be impaired. An unattractive tax regime might lead large companies to decide to locate more of their R&D activities abroad. Furthermore, it would break the present just approach of matching the tax allowances with the cash flows. When companies invest in new products and services, the benefits are often not available immediately.

The solutions are either for the accounting rules to remain unchanged or for the appropriate tax authorities to state that the present system will not change. The former is difficult. SSAP13 is dated in its language. It allows, under certain conditions, a choice of accounting treatment – an anathema to 1990s accountants. Internationally, R&D accounting is changing. The topic must appear soon on the ASB's work programme.

Let us hope that the tax issue can be neutralised to allow a debate on R&D accounting to start in earnest in the UK.

Isobel Sharp, a partner in Arthur Andersen's Professional Standards Group, chaired the ICAS working party. For copies of its study, priced £12.50, contact The Research Department, ICAS, 27 Queen Street, Edinburgh, EH2 1LA.



Isobel Sharp hopes tax issues will not block discussion on R&D

Andersens to draw on lesson from the past

THE struggle over consensus and direction at Arthur Andersen is in danger of turning into a soap opera. Instead of *The Archers*, we tune into The Andersens. And the question is whether it is an everyday story of consulting folk or an everyday story of accounting folk. As one insider rather wearily put it this week, "this goldfish bowl approach does have its disadvantages".

But seeing it as a drama makes a difference. Human drama is based on a few universal themes. And they come round time after time. So it is with Andersens. The struggle between the two power bases of consulting and accounting has come to a head once a decade for 30 years. Doubtless partners as yet unborn will be battling over similar issues deep in the next century. The current difficulties for the world's largest professional services organisation should be seen in that context.

And the insistence at Andersens that they resolve the issues through consensus, embarrassingly public though that may sometimes be, is also nothing new. In 1979, Harvey Kapnick, then senior partner, decided virtually unilaterally that the consulting business should be split away. The partners rounded on him and booted him out immediately. Then, as now, an acting chairman was installed. Four months later Duane Kullberg was elected and steered the organisation until 1989 when the consulting business did become a separate arm and Larry Weinbach was elected chief executive. A good man to talk to in the current turmoil is Don Hanson. He was UK managing partner from 1982 to 1989 and then moved to New York to be Weinbach's right-hand man. He retired from that job on Monday. He doesn't see the current difficulties, with successive nominations for Weinbach's successor having been snubbed by the overall partnership, as being anything like as bad as it was in 1988. "Despite the current spat, this is not 1988," he said. "There is nothing like the unhappiness there was then."



ROBERT BRUCE

Then a similar solution to that proposed now was put forward. To resolve the current difficulties the chairman of the board of partners has become acting chief executive. He will hold the fort while a small group sort out the organisational issues. Then, and only then, will Andersens return to the formal process of choosing a new chief executive. So between now and next spring the issues of how to structure a lopsided business will have to be resolved, including the turf wars between the consultancy arm and those in the accounting arm who are muscling in on the consultancy business, the problems of having roughly 1,000 consultancy partners pulling in more fee income than the 1,700 partners in the accountancy arm, and the imbalance of voting power and revenue sharing that the partner imbalance inevitably creates.

In 1988 a similar process took place. The key, in Hanson's view, was "the decision to lock the change management task force of younger partners in a room until they had solved the problems". The partners involved were not drawn from the management of the firm. "So they were not part of the problem," recalled Hanson, "but they were part of the solution and basically the firm and the board said 'let's do it, separate the business units, separate revenues and separate governance rules'." And that all held together for most of the next decade. Now they are having to do it again.

The problem this time was that the firm tried to sort out the succession problems before they sorted out the structural problems. With the real issues between consultants and accountants unresolved, except for a desire to hold the business together, voting for the next chief executive was always going to follow party lines. So neither the first nomination, Jim Wadia, the UK managing partner, nor George Shaheen, the Andersen Consulting chief who was nominated after Wadia's defeat, could win. In Hanson's view the mistake was not to have nominated Shaheen first, with Wadia to head the Andersens business unit. That combination would have pulled in the votes. But the fear was that Shaheen would turn the firm into a huge consulting organisation. "It would have been an ideal combination," said Hanson. "George is honest, like Larry, but George is *brutally* honest. He tells you what he thinks about you there and then. Jim is a world-class manager. It would have been an ideal combination and Jim is what George needs."

Maybe that combination will be the solution that comes about next spring. Meanwhile, the world gapes open-mouthed as Andersens goes about its decision-making in the open. For Hanson, even that has advantages: "The previous impression was of us all marching to the same drumbeat from someone pressing a button in Chicago," he said. Now no one can believe that. "We don't keep our partners 'out of the loop'," he said. "Our cultural imperative is that we have consensus." It could be a lesson for many other business organisations.

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We hope, of course, that none of this will come to pass. But we still wouldn't mind if the Australian team had a bowling.

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For AIB see Cornell Lloyd

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	Sell	Buy	+/-	Yld %
General Acc	776.70	825.90	+ 9.80	3.35
General Inc	645.00	685.10	+ 8.10	2.21
Uk Growth Acc	538.90	572.30	+ 2.30	2.54
Uk Growth Inc	344.90	366.50	+ 1.90	2.75
Higher Inc Acc	946.50	1006.00	+12.90	3.80
Higher Inc Inc	586.70	575.50	+ 6.70	2.83
Gilts/Fxd Int Acc	771.70	824.10	+ 1.00	8.03
Gilts/Fxd Int Inc	344.65	369.90	+ 0.21	8.03
Nth America	379.10	403.50	+ 1.40	..
Europe	478.50	453.90	+ 2.10	..
Pref Fund	106.60	113.70	+ 1.20	2.41
Bnd Fnd Acc	135.70	145.20	+ 1.60	4.22
Bnd Fnd Inc	96.80	102.40	+ 1.01	4.17
Global Opps	114.10	121.40	+ 0.60	..
Balanced Acc	70.87	75.40	+ 0.66	2.12
Balanced Inc	63.50	67.60	+ 0.63	2.13
Japan Acc	54.36	57.70	+ 0.32	..
Far Eastern Acc	408.50	434.60	+ 2.90	0.77

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Gilts & Fixed Int	136.00	143.50	+ 1.00	6.36
High Inc Equity	208.80	220.10	+ 4.50	4.41
Worldwide Bond	364.50	384.80	+ 1.90	3.98
American Growth	473.00	500.20	+ 1.40	0.33
Asian Pacific	347.00	371.10	+ 2.20	0.37
Assets & Earnings	376.30	349.00	+ 6.30	2.66
Euro Capital Acc	332.40	350.60	+ 1.50	0.80
Extra Inc	43.86	46.86	+ 0.24	8.42
General	301.50	318.70	+ 6.10	2.62
Global Opps	61.57	65.78	+ 1.05	0.46
Japan	104.80	112.10	+ 0.70	..
Managed Inc	51.19	54.40	+ 0.59	4.13
Mastermind	149.60	202.80	+ 2.50	1.09
US Emerging Cos	193.40	205.90	+ 0.60	..
Ethical	83.90	89.20	+ 0.56	2.05
International	152.70	162.40	+ 1.00	0.54
Dividend & Growth	76.06	80.91	+ 1.64	4.15
Global Gwth & Inc	76.90	81.80	+ 0.02	2.46
Latin America	94.30	100.40	+ 1.57	0.89
Capital Reserves	149.50	159.80	+ 0.10	4.67

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Asset Inc. & Growth	71.75	76.58	+ 1.11	..
Emerging Mkts	82.03	95.42	+ 1.82	0.11
European	168.51	176.13	+ 0.41	..
Extra Income #	93.44	96.24	+ 0.43	5.45
Far East Emg Eqn	131.82	138.27	+ 3.20	0.52
Fixed Interest #	75.60	77.65	+ 0.05	6.48
Fixed Int Tst #	166.69	175.11	+ 0.78	6.82
Japan	181.71	186.78	+ 1.54	..
Town American	73.65	83.60	+ 1.34	..
Pacific	89.35	95.15	+ 1.08	0.29
Property Share	81.64	85.99	- 0.58	1.95
Uk Emerging Cos	68.30	73.81	- 0.05	1.53
Uk Growth	60.65	66.51	+ 0.73	1.80
Aber World Port #	89.32	95.00	+ 0.92	3.51
Balanced	84.21	87.57	+ 0.91	4.14
Aberdeen Gilt Inc #	50.43	50.43	+ 0.11	6.49

AIRWAYS UNIT TRUST MGRS LTD
0171 255 5864

Result Property #	101.80	108.20	- 0.20	9.25

ALLCHURCHES INV MGMT SVS LTD
01452 385 958

Acuity Income	100.86	107.01	+ 1.07	1.88
Income Builder Inc	87.90	93.51	+ 0.59	3.87

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Balanced Trusts				
Growth & Income	327.80	350.40	+ 1.30	2.87
Capital	309.30	330.90	+ 3.60	1.03
Balanced	949.20	1014.00	+ 4.00	2.49
Accumulator	1849.00	1976.00	+ 7.00	1.58
Income Trusts				
American Income	78.15	81.80	+ 0.32	2.00
High Income	531.70	568.30	- 2.00	3.76
Equity Income	296.10	316.50	+ 1.00	3.51
Fixed Interest	319.60	341.60	+ 1.30	3.70
Gilt Securities	36.02	38.030	+ 0.20	5.46
International Trusts				
Asia Spec Sits	253.30	269.90	+ 1.30	0.04
European Growth	68.12	72.81[0]	+ 0.43	0.15
International	213.20	227.60[1]	+ 1.40	0.10
Japan	193.80	207.10[1]	+ 1.50	..
Pacific	433.40	463.30[1]	+ 3.50	..
Spec of America	692.50	736.90[1]	+ 5.60	0.11
Smaller Companies	61.25	65.470	+ 0.30	0.02
Specialist Trusts				
Asset Value	738.30	789.20[1]	+ 3.40	1.72
Cons & Gilt	54.48	58.230	+ 0.17	3.64
Smaller Cos	201.60	215.80[1]	+ 0.20	1.06
Zero Dividend	191.40	204.60	+ 0.40	0.76
Recovery	185.10	197.90	+ 0.10	1.22
Met Man A Cstty	151.90	162.30	+ 0.70	0.19
Global Earnings	486.90	520.40	+ 3.60	0.93
Technology	248.50	265.60[1]	+ 1.10	1.24
Up Special Sits	649.90	690.40	+ 0.70	1.55

B & C E UNIT TRUST MGMT LTD
01250 526 811

General Distributions	132.40	137.50		
Fosseito Prest Pens	78.20	81.33		

For BSI-Thornhill see Thornhill

BAILLIE GIFFORD & CO LTD
0131 222 4242

America	408.50	434.60	+ 3.30	..
Bond	125.10	129.60	+ 0.80	6.45
Brit Emrl Cos	110.80	117.90	+ 0.10	1.88
Conv & Gen #	66.12	70.34	+ 0.03	5.50
Europe	347.00	368.00	+ 2.40	0.10
Europ Grwth Cos	130.80	139.50		0.11
Income Gwth	389.80	414.80[1]	+ 0.80	4.19
Japan	330.10	350.80	+ 3.70	..
Latin American	117.90	125.40[1]	+ 1.90	0.49
Pacific	127.10	135.20	+ 0.30	0.50
Uk Smlr Cos	58.66	62.40	+ 0.66	1.36
Japan Fd	613.80	652.60	+ 6.10	..
Mngd Fd	210.80	345.20	+ 2.40	2.52

BANK OF IRELAND FUND MGRS LTD
0171 489 8573

Bnd & Overs	427.10	451.70		0.78
Capital Gwth	148.00	156.50		2.67
Wrldw Opps	250.20	264.60		0.63

BARCLAYS UNICORN LTD
0181 522 4000
(Balanced Trusts

Gwth & Inc Inc	486.80	517.90	+ 11.00	1.92
European Bd Inc	100.20	103.80	+ 0.10	5.66
Exempt	96.50	102.70	+ 2.40	2.43
500	497.80	535.30	+ 2.10	1.75
General	372.50	396.30	+ 8.50	2.03
Property	258.00	276.90		
Trustee	262.80	279.60	+ 6.00	1.99
Income Trusts				
Exch Inc	100.10	102.10[1]		6.05
Distribution #	120.40	124.00[1]	+ 1.60	5.49
Extra Income #	157.30	167.50	+ 3.10	4.38
Gilt & Fxd Int	61.13	63.02[1]	+ 0.27	7.44
Income #	670.10	715.00	+13.60	4.31
Income Builder #	76.24	81.30	+ 1.25	4.95
Int Income	81.50	86.78[1]	+ 1.63	1.33
Growth Trusts - UK				
Capital	165.10	175.70	+ 4.00	1.89
FTSE 100	211.20	225.80[1]	+ 3.40	2.20
Income	179.90	191.50	+ 4.70	1.61
Recovery	571.30	609.30	+13.70	2.05
Smlr Cos Inc	58.65	62.56	+ 0.08	2.32
Special Sits	172.40	182.60	+11.10	1.91
Growth Trusts - Overseas				
America	213.90	225.30	+ 2.10	0.20
Far East Gwth Acc	257.60	248.50	+ 2.20	0.32
Far East Gwth Inc	194.00	206.40[1]	+ 1.30	0.32
Euro Gwth Inc	238.10	252.90[1]	+ 4.60	0.54
Europe	148.10	152.60	+ 4.80	0.54
Japan	131.50	139.20	+ 0.60	..
Jpn Smlr Cos	133.00	140.80	+ 0.90	..
Japan Spec Sit	62.45	66.16	+ 0.29	..
Worldwide	324.50	338.40	+ 1.30	0.66

BARING FUND MANAGERS LTD
0171 214 1004

American Growth	165.40	174.50	+ 1.60	..
Amer Smlr Cos	155.70	165.40	+ 0.60	..
Eastern	304.60	330.60	+ 2.10	0.20
Equity Income #	113.00	120.80	+ 1.00	4.20
European Growth	427.90	455.10	+ 4.60	0.80
Europe	426.70	448.20[1]	+ 2.80	0.61
German Growth	197.20	213.40	+ 0.60	0.50
Global Bond	77.59	79.35	+ 0.24	6.20
Global Growth	165.20	175.20	+ 1.80	0.40
Japan Growth	163.50	194.40	+ 1.50	..
Japan Income	128.70	136.60	+ 1.30	..
Pacific Inc	56.94	61.72	+ 1.01	..
Portfolio	164.70	175.10	+ 1.60	2.00
-do- Accum	311.50	333.30	+ 3.10	2.00
Uk Growth	121.20	130.10[1]	+ 1.40	3.00
Uk Smaller Cos	102.10	110.90	+ 0.10	1.90
Select Managed	95.58	102.00	+ 0.60	1.00

BLACKSTONE FRANKS UT MGRS LTD
0171 250 3300

Intl Gwth Prf Inc	104.30	110.93	..	..
Special Opps Inc	21.36	25.92	..	..

BRITANNIA FUND MGRS LTD
0141 229 6020

Balanced Growth	167.90	174.90	+ 2.90	1.72
-do- Accum	196.50	204.60	+ 4.62	1.72
Smaller Cos	166.43	173.37	+ 0.33	0.27
Higher Yield #	63.72	66.55[1]	+ 0.26	3.92
American Gth Inc	119.90	124.80	+ 0.92	..
European Growth	198.65	206.92	+ 3.76	..
-do- Accum	202.50	211.35	+ 3.95	..
Managed Portfolio Inc	61.69	63.64	+ 0.70	1.25
-do- Accum	63.72	65.77	+ 0.71	1.25
Int Spec Opps	192.34	200.98	+ 1.69	..
Pacific Gth	118.24	127.33	+ 0.94	..
Uk Earnings #	113.90	119.65[1]	+ 2.60	2.85
-do- Accum #	125.44	130.66	+ 2.87	2.85
Japan	54.70	56.98	+ 0.27	..
Gil & Fixed Int #	104.50	108.40[1]	+ 0.51	7.84

BURRAGE UNIT TST MGMT LTD
0171 480 7216

Short Dated Gilt	64.91	65.74	+ 0.13	6.39

CIS UNIT MANAGERS LTD
0161 837 5080

Income	198.00	208.60[1]	+ 1.70	1.90
Uk Growth	247.60	260.00	+ 5.70	2.05
Uk Income	168.10	176.50	+ 3.40	4.03

CANADA LIFE MGMT (UK) LTD
01737 852 100

Can Gen Gnd	263.10	276.70	+ 3.90	1.42
-do- Income Dist	142.30	150.10	+ 1.90	3.34
-do- Accum	425.90	447.70	+ 5.70	3.32
Gilt & Fxd Int	42.52	44.67	+ 0.12	6.29
Growth Unit	299.60	316.20	+ 3.50	1.85
Bond	183.70	193.30	+ 0.70	6.10
Intl Growth	269.30	284.20	+ 2.60	0.16
North American	384.70	404.30	+ 2.90	0.06
Far East	321.50	343.50[1]	+ 1.90	0.56
Uk Smaller Cos	276.10	290.50[1]	+ 0.50	1.13
European	110.90	117.70[1]	+ 0.90	0.42
Japanese Growth	49.51	44.84	+ 0.22	..
High Income	359.60	367.70	+ 2.40	3.99

CAPEL-CURE MYERS UT MGMT LTD
0161 831 7433 Enq 0161 831 7433 Dlg 0161 831 7455

American & Gen	252.70	267.80	+ 2.60	..
European Inc	120.20	127.40	+ 0.90	0.12
Smaller Cos (A-I)	108.10	112.90	+ 2.90	1.83
Growth	632.30	662.10	+ 5.70	1.91
Income & Growth #	523.70	557.70	+ 4.60	0.97
-do- Accum #	803.80	854.10	+ 7.00	0.97
Japan & Gen	92.51	98.64	+ 0.46	..
Hoffman Gwth	1307.00	1445.00[1]	+12.00	1.63
Recovery	1723.00	1906.00[1]	+22.00	1.63
Spec Sit	142.80	152.40[1]	+ 2.10	1.92
High Yield	1674.00	1776.00	+15.00	4.03

CAZENOVE UNIT TRUST MGMT LTD
0171 606 0100

Cazenove Portfolio	110.72	117.62[1]	- 0.88	2.08
American Portfolio	126.80	133.78[1]	- 0.51	0.93
European Portfolio	154.50	162.77	- 0.32	0.85
High Income	54.21	57.06	- 0.24	6.61
Japanese Portfolio	63.79	67.64[1]	+ 0.30	..

	Sell	Buy	+/-	Yld %
Pacific Portfolio	163.34	173.64[1]	+ 1.72	0.76
Uk Equity	106.99	114.29	+ 1.04	2.98
Uk Equity & Bd	62.84	66.82	+ 0.57	5.38
Uk Smlr Cos	51.36	55.58	+ 0.07	1.71

CBF CHURCH OF ENGLAND FUNDS
0171 588 1815

Inv Fd Inc	652.49	695.37	+ 3.03	3.89
Inc. Fd Acc	863.45	876.49	+ 3.00	..
Fxd Int Sec Inc	158.15	168.79	+ 1.01	8.96
Fxd Int Sec Acc	162.78	163.44	+ 1.05	..

CBF CHARITY FUNDS
0171 588 1815

Investment Inc	858.95	871.93	- 2.14	3.97
Investment Acc	4051.38	4112.60	- 9.96	..
Fixed Int Inc	131.46	131.98	+ 0.30	8.79
Fixed Int Acc	250.07	251.07	+ 0.58	..

CITY FINANCIAL UT MGRS LTD
0171 407 5566

Dealman Inst	88.12	93.92	+ 0.05	5.33
Stock Bro Tech	39.12	41.64[1]		
Dealman Ethical Tst	193.53	203.22[1]		0.42
City Fin Assets	83.57	87.76		1.59
Gib Fin Intl	95.32	100.09	+ 0.22	0.06
Friars Hse Cap	338.13	356.52		2.23
Buckley Wkd Grth	152.91	162.06	+ 1.89	..
Chase Meadows	71.55	73.19	+ 0.72	4.75

CITY OF LONDON UNIT TST MGRS LTD
0171 719 0771 Admin: 01277 227 300
Emerging Markets 65.08 69.06 + 0.92

CLERICAL MEDICAL UT MGRS LTD
0345 772 233

American Gwth	91.92	97.78	+ 0.68	..
Diversified Growth	76.68	82.02	+ 1.17	0.19
Equity High Inc	104.00	110.06[1]	+ 1.37	3.46
-do- Accum	154.06	163.62[1]	+ 2.03	3.46
Extra Income Inc	27.63	29.09[1]	+ 0.13	6.49
Extra Income Acc	31.70	33.36	+ 0.14	6.49
European Gwth	78.78	82.64	+ 0.83	0.19
Evergreen	33.36	35.67	+ 0.31	..
General Equity	122.04	129.89[1]	+ 1.63	2.53
Japan Growth	44.86	47.72	+ 0.20	..
Pedigree Gwth	71.82	76.00	+ 0.75	2.04
Prof Snr Cos Inc	39.06	41.33	+ 0.08	1.38
-do- Accum	41.83	44.26	+ 0.09	1.38
Retirement Inc #	31.48	33.49	+ 0.47	5.47
Special Sits	51.74	55.03	+ 0.31	2.65
Uk & Overseas	69.42	73.46	+ 0.42	0.50

COLONIAL UNIT TRUSTS (UK) LTD
01634 888 000

Balanced	77.56	80.79	+ 0.45	3.82
Capital	92.58	97.48	+ 0.91	2.26
High Income	54.58	56.85	+ 0.35	6.51
Top 50	66.24	68.99	+ 0.84	2.33

COMMERCIAL UNION TRUST MGRS LTD
0181 686 9818

PRESTIGE PORTFOLIO (PPT FUNDS)				
Income Funds				
Equity Inc	205.47	214.05	+ 0.92	4.51
Long Gilt	46.86	48.79[1]	+ 0.56	5.74
Monthly Inc Plus	53.71	55.95	+ 0.32	9.01
Preference Shares	50.78	52.90[1]	+ 0.29	7.37
Balanced Funds				
High Yield	151.45	157.78[1]	+ 0.48	5.68
Managed Fund	84.27	87.79	+ 0.77	2.98
Uk Growth Funds				
Smaller Cos	51.43	53.56	+ 0.01	1.58
-do- Accum	61.50	64.07	+ 0.01	1.58
UK & General	111.26	115.91	+ 1.18	2.42
-do- Accum	147.50	153.66	+ 1.57	2.42
Uk Growth	229.91	239.14	+ 1.38	1.71
International Growth Funds				
Europe Growth	256.04	266.74	+ 2.65	0.50
Far Eastern Gths	148.79	146.62	+ 0.94	0.02
Global Bond	73.25	76.31	+ 0.28	6.73
Japan Growth	110.06	114.66	+ 1.09	..
North Amer Gth	265.51	297.44	+ 3.51	..
Oriental Growth	88.69	93.44	+ 0.56	0.25
Worldwide Growth	81.95	85.37	+ 0.79	..
OTHER CU TRSTS (NON PPT FUNDS)				
Deposit Fund	92.50	92.50	+ 0.01	5.70
Homemaker Fund	101.01	107.47	+ 1.10	2.01
Outlet Fund	171.40	182.26	+ 1.89	1.97

CONSISTENT UNIT TST MGMT CO LTD
0171 407 5066

Consistent Ut	39.00	49.56		3.89

COOKE (HENRY) INV FUNDS LTD
0800 525 356

Growth	193.20	205.50	+ 0.60	1.81
Income	79.01	84.05	+ 0.57	4.32
European	89.53	95.24	+ 0.67	0.17
Recovery	180.00	191.50	+ 0.10	1.22

CO-OP PENSION FDS UT MGRS LTD
0171 283 9494

Equity Dist	1104.00	1132.80		5.03

CREDIT SUISSE INV FDS (UK) LTD
01277 690 370

Fellowship Inv	113.70	120.30	+ 0.50	3.13
Income #	302.80	327.40	+ 2.70	4.20
-do- Accum #	837.00	890.40	+ 7.20	4.20
Smaller Cos	203.90	230.10[1]	- 0.10	1.00
-do- Accum	279.70	297.50	- 0.20	1.00
Cap Portfolio	108.20	115.70	+ 1.20	1.24
High Inc Port #	90.95	96.75	+ 0.90	4.32

DIMENSIONAL TST MGMT LTD
0171 470 1934

Global Sm Cos	1784.40	1805.50		
Uk Small Cos	2210.50	2302.10		2.98

DISCRETIONARY UNIT FUND MGRS
0171 377 8819

Dsc Inc	237.80	245.00		3.14

EAGLE STAR UNIT MGRS LTD
01242 577 555

UK Balanced Inc	196.20	208.70[1]	+ 4.80	1.55
UK High Inc Inc	205.30	219.40	+ 5.00	3.25
-do- Accum	287.50	305.80	+ 6.90	3.25
UK Pref & Fixed Int	61.75	65.84[1]	+ 0.42	5.64
Environment Opps	115.00	122.30[1]	+ 2.60	0.52
Uk Smlr Cos #	71.44	75.99	+ 0.16	0.89
Extra Income Inc	53.09	56.47	+ 0.26	6.57

EDINBURGH UNIT TST MGRS LTD
0131 668 8000

Commodities #	23.31	24.77[1]	+ 0.07	5.65
Extrapore	118.00	125.10[1]	+ 0.20	2.00
Equity Income #	156.90	166.70[1]	+ 0.80	3.84
European	74.47	78.84	+ 0.63	..
Financial	67.22	71.46	+ 0.53	1.40
Growth & Inc #	321.90	342.00	+ 2.00	2.56
High Dist #	198.60	211.00	+ 0.80	4.03
International	468.90	498.20[1]	+ 4.90	0.20
Ind Grp Inc	119.40	127.50[1]	+ 1.20	2.12
Latin American	41.78	44.39	+ 0.74	..
Pacific	88.56	93.86	+ 0.91	..
Prof High Inc	23.45	24.92[1]	+ 0.09	7.22
Spec	268.40	285.30	+ 1.40	..
Uk Growths Cos	248.30	263.80	- 0.90	1.14
Dunedin Unit Trusts:				
Japan Sm Cos	350.30	381.70	+ 2.80	..
Nth Amer	501.00	530.60[1]	+ 5.40	0.55
Uk Inc & Gth	286.20	305.50	+ 1.40	2.43

ELY PLACE UNIT MGRS LTD
0171 242 0042

BW Director Dlgs	125.12	134.03	- 0.78	0.95
Growth Acc	306.64	326.79	- 0.15	0.59
Income	615.42	655.45	+ 2.47	6.05

ENDURANCE FUND MGMT LTD
0171 373 7261

Endurance Fd	250.50	266.50		1.02

EQUITABLE UNIT TRUST MGRS LTD
01256 431 480

European	100.28	115.03[1]	+ 0.45	1.46
General Fd	53.05	56.84	+ 0.34	0.73
Far Eastern	431.61	458.54	+ 1.97	0.14
High Income	157.59	165.88	+ 0.78	4.59
Uk Index Tracking	61.73	64.98	+ 0.30	2.80
Intl Growth	156.54	164.78	+ 1.56	1.02
North American	176.45	185.74	+ 2.06	1.67
Pref Inc	166.16	174.91	+ 0.81	2.74
Smaller Cos	69.99	73.67[1]	+ 0.06	2.57
Special Sits	90.79	100.31	- 0.33	2.90
Ist Unit Inv Trs	237.59	250.41	- 0.83	1.30

EXETER FUND MANAGERS LTD
01392 412 144

Capital Growth	112.77	118.65	+ 1.30	..
Fd of Inv Trs	57.40	60.39[1]	+ 0.40	0.48
High Income #	91.87	92.39[1]	+ 0.77	11.83
Wan & Dr Opps	50.81	54.63	+ 0.72	..
Zero Preference	46.95	49.81[1]	- 0.01	..

FAMILY INVESTMENT MGMT LTD
01273 220 707

Family Assets Fd	108.80	115.70	- 2.00	2.51
United Charities	332.50	354.00	+ 2.20	1.65

FIDELITY INVESTMENT SERVS LTD
Callfree: Private Clients. 0800 414 161

Cash Fund				
Cash Fund	100.00	100.00		6.00
Bond Funds				
Intl Bond	28.53	27.58	- 0.14	5.22
Sterling Inc	28.72	30.02[1]	- 0.17	5.66
Income Funds				
High Income	28.97	30.41[1]	- 0.18	5.07
Income Plus	150.60	160.40[1]	+ 1.30	3.72
European Income	29.21	30.65	+ 0.18	2.16
Worldwide Gwth	35.94	38.22	+ 0.30	2.19
Equity Funds				
ASEAN	56.21	59.87	+ 0.67	..
Americas	372.50	370.70	+ 4.60	..
Amer Spec Sits	210.70	224.60	+ 2.40	..
Japan Smaller Cos	27.20	28.92	+ 0.10	..
European	376.00	400.50	+ 1.90	0.46
European Opps	101.60	108.10	+ 1.00	0.50
Global Inv	37.66	40.05	+ 0.45	0.41
Uk Growth	140.00	148.90	+ 1.40	1.31
Growth & Inc	203.60	213.90	+ 0.60	2.75
Intl PEP	36.60	38.94[1]	+ 0.50	0.90
Japan Spec Sits	80.22	85.00	+ 0.54	..
Japan	180.00	190.80	+ 1.00	..
Managed Intl	415.60	441.60	+ 4.10	0.61
Manufacturer Plus	72.05	77.69	+ 0.53	..
Recovery	66.10	70.32	+ 0.31	1.94
South E Asia	200.50	214.10	+ 1.80	0.90
Special Sits	403.70	854.60	+ 0.40	0.52
Specialist Funds:				
Cash Account Units	119.83	119.83	+ 0.01	6.00

FLEMING PRIVATE FUND MGMT LTD
0171 814 2000

Balanced #	167.30	169.40	- 1.70	1.63
Recovery Prf Inc #	100.30	104.30[1]	+ 0.50	6.33
Cap Protec	102.80	107.30	+ 1.40	0.00
General Opps	152.70	159.50	+ 1.80	3.13
Growth Inc	43.55	41.37	- 0.71	1.68
Private Portfolio	531.90	538.50	+ 0.90	1.15

FOREIGN & COLONIAL UNIT MGT
Dlg 01277 690 386 Admin/Val 01277 690 350

Extra Smlr Cos	173.00	183.40	+ 1.20	..
High Income	23.60	25.04[1]	+ 0.24	8.98
Japan Smlr Cos	16.90	18.12	+ 0.09	..
Uk Smaller Cos	477.50	507.60	+ 0.10	..

For Foster & Braithwaite see Outlet

FRANKLINGTON UNIT MGMT LTD
Enq 0171 330 0500 Dealing 0345 77551

American Growth	97.69	93.17	+ 0.73	..
-do- Accum	97.49	95.27	+ 0.73	..
Asian Smlr Cos	797.91	756.40	+ 2.69	..
-do- Accum	772.80	771.70	- 0.50	..
Capital Inc	335.40	420.66	- 7.80	4.26
-do- Accum	585.50	621.20	- 11.40	1.76
Confl Smlr Cos	64.47	68.88[1]	+ 0.68	0.97
-do- Accum	70.03	73.95[1]	+ 0.65	0.97
Convertibles	142.40	151.50[1]	+ 2.50	5.17
-do- Accum	322.60	343.70[1]	+ 5.40	5.17
Emerging Markets	90.60	96.11	+ 1.00	0.54
-do- Accum	81.24	86.79	+ 1.00	0.54
European	177.50	188.50[1]	+ 1.40	0.40
-do- Accum	191.76	203.50[1]	+ 1.70	0.40
Extra Income	430.60	458.10	+ 3.00	4.02
-do- Accum	654.40	738.70	+ 9.90	4.02
Financial	211.80	225.25	+ 1.80	0.94
-do- Accum	238.70	241.20	+ 1.90	0.94
Gilt Income	63.58	67.58	+ 0.09	7.04
-do- Accum	101.40	108.03	+ 0.10	7.04
Health Fund Inc	264.40	265.80	+ 0.50	..

	Sell	Buy	+/-	Yld %
-do- Accum	288.40	286.90	+ 0.50	..
Income & Growth	249.90	265.40[1]	+ 1.50	4.08
-do- Accum	468.30	494.40[1]	+ 2.60	4.09
Intl Growth	453.50	480.80	+ 3.60	..
-do- Accum	514.70	548.30	+ 4.30	..
Japan & Gen	163.70	173.50	+ 1.40	..
-do- Accum	166.40	176.50	+ 1.40	..
Monthly Inc #	218.60	232.60[1]	+ 1.30	4.36
-do- Accum #	232.30	238.60[1]	+ 1.20	4.36
Managed Port Inc	129.50	136.30	+ 0.80	1.31
-do- Accum	142.40	149.90	+ 0.80	1.31
Quarterly Income #	60.15	64.11[1]	+ 0.40	5.07
-do- Accum #	71.06	76.69[1]	+ 0.47	5.07
Recovery	384.50	379.10	+ 1.90	..
-do- Accum	418.90	447.60	+ 2.40	..
UK Growth	73.11	77.78[1]	+

Shares close on a high note

TRADING PERIOD: Settlement takes place five business days after the day of trade. Changes are calculated on the previous day's close, but adjustments are made when a stock is ex-dividend. Changes, yields and price/earnings ratios are based on middle prices.

ALCOHOLIC BEVERAGES

1997 High	Low	Company	Price (p)	+/-	Yld %	P/E
468	407½	Allied Domecq	427	-8	3.9	12.8
636	489½	Bulmer (HP)	491		3.4	14.6
75½	52½	Burn Stewart	65	+½	7.7	13.7
1040	865	Glenmorangie Al	975		1.7	24.1
617	430½	Grand Met	610	+12½	3.4	19.4
617	424	Guinness	610	+11	3.3	17.4
380	321½	Highland Dist	331	+1	3.2	15.5
336	235	Matthew Clark	248½	+½	12.2	11.7
109½	52½	Morgan W	58½	+½	3.4	7.9
1978½	1462½	SA Breweries	1871½	+3½	2.1	-

BANKS

1178½	918½	ABN-AMRO	1134½	-3½	2.8	-
971	710	Abbey Nat	882	+17	3.8	15.3
855	532½	Alliance & Leic	587½	-8½	3.4	14.7
491½	388½	Alfred Irish	479½	-9	3.8	13.6
451½	363½	Aus New Z	451½	-3½	4.2	-
4159½	2873	Bank America	4016½	+118½	-	-
428½	321½	Bank Scotland	409½	-2½	2.5	12.3
1298	978½	Barclays	1272½	-16½	3.2	12.3
703½	517½	Bk of Ireland	670	-1	3.1	-
7898½	6108½	Citicorp	7493½	+216½	-	-
1759½	1268½	Close Bros	1678½	-3½	2.8	-
883½	552½	Den Nske Bnk Y	869½	-3½	0.8	-
3659½	2708½	Deutsche Tk	3636	+109½	1.7	-
1131½	758½	Espirito Santo	1121½	-6½	3.2	-
947½	694½	Fuji Bank Y	879½	-4½	0.5	-
1967	1272½	HSBC	1905½	-1	2.5	16.8
1871	1241	HSBC HK	1864	+7½	2.7	16.1
1783	714	Halifax	787½	-10½	2.4	22.9
610	483½	Irish Perm	585	+6	3.9	-
663	424	Lloyds TSB	646	-9½	2.6	20.9
886½	686½	Mid Amst Bk	883½	+18½	4.5	12.1
883	662½	Nat West	859½	+10	4.2	12.9
6637½	508	Rpl Bk Scotl	5989½	-9½	4.1	12.7
1046	681	Signet Grpd	951	+13½	3.9	17.0
1164½	1164½	Wells Fargo	1164½	-	1.9	-
374½	315½	Westpac	363	+3½	4.1	-

BREWERIES, PUBS & REST

876½	717½	Bass	759	+14	4.2	14.2
686½	454½	Bk for the Brk	484	-	5.8	12.1
268	144½	Burtwood Bre	145	-½	4.9	13.8
1111	791	City Centre Rest	1269	-	2.5	21.8
744½	612½	Compass Gp	1071	-1½	1.7	24.5
305	256	Enterprise P 'A'	291½	-	2.4	-
485	435	Fuller Sm 'A'	442½	-	2.8	-
545	440	Greenalls (Ian)	442½	-	4.5	11.0
750	542	Greene King	679	+1	4.1	-
237½	164½	Grosvenor Inns	172½	-	4.6	15.7
396	278½	Grupo Chez Bar	243½	+1	1.5	23.9
586½	261	Hardy Hanson	283½	+2½	5.3	11.5
2634	2700	Hilton	2775	-	2.2	16.4
78	57½	Inn Business	66	-	3.0	-
357	343	Macallan	345	-	2.6	-
515½	352	Maclon Thmp	365	-	3.5	8.9
615	547½	Mecklenh	559	-	3.1	13.4
766½	710	Old Eng Pub	255½	-1	1.9	32.6
47½	28½	Paramount	28½	-	-	-
1277½	1077½	Pizza Express	1227½	+1½	0.6	41.6
437½	337½	Ransdens Gp	395	-	1.6	36.3
379½	262½	Regal Hotels	275	-6½	4.2	26.3
712½	537	Scott & Nwn	657½	-6½	4.2	13.6
2480	1485	Whitbread	2373	-	4.9	12.3
1332½	1105	Wolverhampton AD	1315½	+12½	0.8	30.7
819	739½	Wolfermead	758½	-3	3.8	14.8
788½	582	Wolvrhmptn B	588½	-	3.8	12.7
581	419½	Yates Brest	523	-	1.0	27.9
782½	615	Young 'A'	687½	-	2.7	17.4

BUILDING & CONSTRUCT

22½	17½	AMF Inds	19½	-	-	-
208	170	Abbey	208	-	3.2	22.8
347½	257½	Atlas	333½	-	2.0	-
156	90½	Amec	139½	-	-	-
512	347½	Amey	451½	-6½	2.5	20.2
556	465	Andrews Sykes	575	-	2.2	16.0
3137½	2229	Ashtead	2844	+10½	1.3	26.5
486½	294½	Bardi	295½	-	3.4	11.7
384	247½	Bardi	295½	-	3.4	11.7
64½	49½	Barratt	59½	-	2.7	18.3
291½	236	Bassal Ores	253	+2½	4.3	14.1
218	162	Bazaar	185½	-	4.5	12.8
381½	299½	Bellway	335½	+1	4.5	12.8
22½	16½	Bellhaven	20	-	-	13.2
42	30	Bns Bellway	41	-	4.0	8.5
2699½	1936	Berkeley Gp	1923½	+14	1.7	14.4
172	142	Bet Bros	167½	-	4.3	5.7
340	230	Bovis (Henry)	312½	-	3.2	12.6
112½	87½	Brandon Hire	107½	-	3.1	14.3
35½	27½	Britannia Gp	30	-	-	-
85½	62½	Br Bldg & Eng	75	-	-	-
198	121½	Brscot	132	+1	4.8	18.4
125½	99½	CALA	104½	-	4.2	13.7
6½	3½	Campbell & Ann	4	-	-	-
81½	53½	Clarke T	69½	-	8.2	11.7
46	36	Cornhill	40	-	-	-
105	71	Countrywide	91	-	3.4	14.1
108½	88½	Crest Nicholson	105	+1	3.8	12.8
94½	67½	Cussons	78½	-½	6.4	9.2
175	165	Eve Group	178	-2½	1.1	-
2½	1½	Fairclough	2½	-	5.8	23.5
1552½	857½	Gleeson (MJ)	920	-	2.2	15.3
62½	45½	Green (Ernest)	62½	-	6.0	19.7
326	285	Hanelock (Lon)	306	-2	1.7	21.4
162½	123	Hawtin-Stocatt	151½	-	3.5	25.3
215	181	Hemsel Hdgs	18	-	5.6	19.3
332½	232½	Jarvis	299½	-½	1.9	23.5
272½	182½	Keller	258½	-	2.3	18.5
250½	169½	Kier	204½	-	4.0	12.2
380½	279	Laing (JM)	374	-	3.2	33.8
130½	110½	Laing 5.45% Cv Pf	123	-	6.7	-
14½	9	Linvell (UK)	11½	-	-	-
210½	162½	Macalpine (J)	167½	-	3.9	13.8
167½	135½	McAlpine (A)	139½	-	6.3	70.0
139½	95½	McCarthy & S	114	-	2.6	13.6
75	53½	Mcdermott	70	-	-	-
2357½	1589	Morgan Sindall	1974½	+1½	3.1	12.8
3067½	2361	Morrison Const	2857½	-	2.2	-
144	109½	Mowlem (J)	121½	-	3.1	13.3
266	214	Pecaminion	258	-	8.2	15.0
135	100	Pochin	118	-	3.1	10.4
144½	97½	Powdrill	125	-4½	4.0	13.9
214	129	Raine Ind	195	-	3.1	15.3
179½	145½	Redrow	163	-	2.6	16.6
315	255	Sheriff Hdgs	291½	+9½	3.6	25.9
78	58	Shorcrt	73	-	7.2	15.0
352½	307½	Speedfast	330	-	1.2	19.9
105	76	Swan Hill	85	-	3.7	-
152½	115	Tay Homes	131½	-	5.9	26.5
215	153	Taylor Woodrw	180	+2	2.6	16.0
767½	574½	Tilbury Douglas	640	-2½	4.5	11.2
27½	13½	Try Group	22½	-	4.5	18.2
86	56½	Wimpey	78	-6½	-	-
152½	117	Wiltshermere	134½	-1	4.4	-
69	39½	Ward Hdgs	67½	-	-	-
257	206½	Westbury	226½	+½	3.7	13.1
12	7½	Wiggins	11	-	-	45.2
173½	147½	Wilson (C)	160½	-	3.7	17.8
545	471½	Wilson Bowden	512	-	2.7	12.5
156	125	Wimpey G	137½	+2½	5.0	43.4

BUILDING MATERIALS

55½	33	Aggregate Indst	45½	-1	5.5	19.4
388	302	BPB	321	-3	4.1	14.3
110½	97½	Bagnall Jw Bh	98½	-	-	24.1
91	71½	Blacks	84½	-	4.1	-
452	361	Blue Circle	423½	-	3.9	18.0
91½	78½	Brendon PLC	81	-1½	7.5	12.5
152½	119	Br Dredging	150	-	4.8	12.3
646	582½	CRH	630	+2½	2.1	18.2
59½	42½	Calednnd Rky	42½	-	6.8	4.5
192½	162½	Caps	165½	-	4.5	-
273	192	Caradon	206	+½	5.8	10.2
139½	107	Cavadon pl	103½	-	8.8	-
89½	74	Chilcton Gp	80	-	7.4	7.0
2772½	2129	Dyson (JB.J)	2271½	-	2.7	13.4
145	132	Dyson 'A'	132	-	4.7	7.8
4	2½	Evershine	3½	-	-	-
258	230	Ewart	230	-	4.8	14.9
1146	1000	Gibbs & Dandy	1075	-	5.8	10.0
168	128	Graham Gp	139	-	5.5	26.7
3654½	2423½	Hanson (J)	2429½	-	4.9	11.1
3349½	2711½	Hanson	3027½	+6½	4.9	-
1587½	1293½	Heywood	1295½	-	7.9	13.4
89½	72½	Howden	80½	-	4.1	8.1
268	208½	Heyrd Wlm	208½	-	8.4	8.6
75½	68	Ibstock	68	-	3.6	37.1
530	450	Johnstone	452½	-	3.3	13.7
82½	65	Lilleshall	65	-	10.3	11.2
137	119	Marley	125	-	5.0	13.2
160½	119½	Marshalls	155	-	5.2	-
457½	361½	Meyer Int	420½	-1½	3.6	16.1
99½	68½	Norcros	71½	-	3.7	31.0
22½	17½	Phoenix Timber	22½	-	4.4	16.1
158	118	Pilkington	135½	-	4.8	16.1
284½	208½	Polypipe	266½	-½	1.8	16.9
1038½	878½	RMC Gp	971	+1	3.4	14.5
361½	316½	Redland	336½	-	5.2	17.2
97	66	Rmcf	66½	-	7.8	21.4
114½	82½	Rutland	84½	-	7.8	21.4
127½	91½	Rugby Group	121½	-	3.7	20.8
104½	92½	Ruscoll (A)	104½	-	3.2	16.6
348½	241½	Sig	329½	+½	2.7	15.8
3	2½	SWP	2½	-	-	-
227½	211½	Sharps & Fisher	229	-1½	3.1	17.1
20½	12	Sonng Rsn	12½	-	-	-
187½	159½	Stressclme Hldgs	167½	-	6.7	10.4
131½	92½	Tarmac	147	-	5.4	-
140	100	Tilbn	113	-	5.6	10.7
545	436½	Trans Perkins	476½	-	2.6	19.7
54½	34½	Tudor	53½	-	4.2	-
514	441	Wellaway	475	+7½	2.9	15.7

CHEMICALS

173½	142½	Albright & Wil	162	-	5.3	12.8
137	117	Allied Colloids	125	-½	3.1	18.6
136	117	Amec Indl	122½	-	5.9	11.2
139½	87½	Amboday Gp	99	-	2.0	13.6
5	0½	Anglo Ltd	1	-	-	-
2601	2125	BASF Dm	2359½	+19½	2.6	-
1083½	924½	BOC	1068½	+5	3.4	14.3
308½	248	BTP:	278	+½	3.3	13.7
2854½	2246½	Bayer Dm50	2471½	+52½	2.4	-
112½	68½	Brent Chems	70	-	3.7	8.1
192½	135½	Br Vita	159½	-	4.3	12.6
192½	139½	Bncmor Alcnd	149½	-	7.5	7.8
315½	278½	Canning (W)	298	-	3.7	14.3
22½	16½	City Technology	16½	-	11	17.2
402½	306½	Courtaulds	345	+6½	5.9	16.7
64	36½	Croda	264½	+1	4.0	10.7
305½	240½	Dextra	248½	-	4.0	11.5
79½	54½	Ellis & Everard	65	-	4.8	11.0
73	39½	Exco Colour	61½	-	9.2	-
1064½	861½	Exlson	980	-	-	19.2
82½	62	Hickson	70½	+½	5.8	-
2600	2318½	Hoechst	2723½	+48½	1.8	-
155	116½	Holliday Chem	143	-	4.6	12.7
514	381½	ICI	448½	+2	4.7	30.2
215½	178½	Inspec	196½	-	4.8	13.8
132	113	Ivton	130½	-	4.8	22.3
719	522	Lagnite	633	-1	4.1	16.1
192	115	Lonrho	144	-	10.8	14.1
1625½	1233	Low & Bonar	1514½	-	5.5	9.8
215	181	Mersnel Hdgs	18	-	5.6	-
332½	232½	Norsk Hydro	299½	-½	1.9	25.9
1622½	1233	Nycomed	1497½	-	2.2	18.5
2634	2700	Rhone Poulenc	2775	-	2.2	16.4
78	57½	Rm Business	66	-	3.0	-
357	343	Mansfield	345	-	2.6	-
515½	352	Mnston Thmp	365	-	3.5	8.9
615	547½	Mnsfield	559	-	3.1	13.4
766½	710	Old Eng Pub	255½	-1	1.9	32.6
47½	28½	Paramount	28½	-	-	-
1277½	1077½	Pizza Express	1227½	+1½	0.6	41.6
437½	337½	Ransdens Gp	395	-	1.6	36.3
379½	262½	Regal Hotels	275	-6½	4.2	26.3
712½	537	Scott & Nwn	657½	-6½	4.2	13.6
2480	1485	Whitbread	2373	-	4.9	12.3
1332½	1105	Wolverhampton AD	1315½	+12½	0.8	30.7
819	739½	Wolfermead	758½	-3	3.8	14.8
788½	582	Wolvrhmptn B	588½	-	3.8	12.7
581	419½	Yates Brest	523	-	1.0	27.9
782½	615	Young 'A'	687½	-	2.7	17.4

DIVERSIFIED INDUSTRIALS

468½	327½	Amalgamated	450	-	2.1	25.3
226½	130½	Bunzl Inc	136	-	4.5	19.4
97½	78½	European Inv	88½	-	8.2	7.6
263	213	Evans Halshaw	233½	-	8.2	-
53½	39½	Fitz Inclosr	39½	-	10.1	7.9
397½	307½	Fredrk Gp	326½	-	2.5	10.6
31½	25½	Gardner	26½	-	4.5	10.0
79½	57½	Glenchewton	65	-½	2.6	12.9
110	85½	Glenmgln	98	-	4.0	21.4
19½	11	Hll Dvlps	17½	-	2.6	11.3
103	31½	Hanlet	35½	-	25.1	32.5
267½	202½	Harris (Philip)	234	-	5.3	-
370½	264½	Headlam	308½	-	2.3	20.4
156½	125	Holdens Tech	154	-	5.3	14.1
240½	192½	ISA Ind	192½	-	1.9	15.6
308½	248½	Inchcape	283	-2	4.6	17.3
72	49½	Jacks (Wm)	65½	-	4.3	10.1
275	214½	Rnds-Rfc	269	-1	2.6	18.3
393½	316½	Low Bonar	377	+½	5.3	12.4
122	108	Lindsay	107	-	9.6	7.5
3	2	Middleton	2	-	3.5	-
41½	19½	Mcdonald	17	+1	3.5	-
472	168	Norbsk	219	+38	5.0	-
169½	114½	Northernfor	136½	+1	1.3	8.1
362½	305½	Portco	319	+5½	3.1	16.1
404½	342½	Pentlington	368½	-	3.5	16.5
203½	157½	Perry Gp	195½	-1	6.0	9.8
751	448	Premier Farnell	466	-	3.2	17.2
152½	124½	Qualdex Group	144½	-	6.2	9.6
387	307½	REAL	368	+4	1.4	48.1
95	74	Rotrex	95	-	5.3	10.8
28	12½	Rotcon	14½	-	2.2	-
4	2½	Rotrex Gp	3	-	-	-
169½	78½	Rotsend	89½	-	5.7	15.9
38	24	SSP Indl	33½	-	5.8	15.4
90½	35	Salford	39½	-	3.9	-
415½	308½	Tims Products	310½	-3	4.8	17.9
337	238	UMECO	314	-	2.2	20.4
77½	59	United Dmns Gp	73	-	-	15.8
352½	287½	Vitec (Reg)	330½	-	2.8	13.2
865	695½	Wagon Ind	808	-	2.5	24.2
41	29½	Webster	29½	+1	5.8	-
172½	121½	Wyko	121½	-	2.7	14.2
154½	119½	Young (Wm)	141½	-	3.8	12.0

ELECTRICITY

183½	125½	Br Energy Pf(P)	149	-½	6.9	46.0
685	463½	Energy Group	641½	+½	4.1	12.4
2695	192	Midland Enlt	232½	+½	6.0	9.6
581	468½	Midland Power	534	-8	5.8	10.5
455½	325	Nthn Electric	415½	-5½	6.5	10.4
4178½	3359½	PowerGen	3825½	-1	2.8	17.8
439	319½	Hydro-Elect	431	-½	5.3	10.0
416½	381½	Scottish Power	397	-18	6.0	10.1
452½	373½	Southern Elect	436½	-15	6.2	11.9

ELECTRONIC & ELECT

453½	381½	Acal	392½	-	3.1	12.8
240½	172½	Aqua	173½	-	-	-
454½	365	Admiral	395	+½	0.7	34.7
305	139½	Amstrad	284½	-	1.2	-
38½	28½	Arbn	38	-	3.9	8.0
1397	1139	Arm Hldg	1289	-	0.3	29.1
626	505	Ashtd	555	-	0.9	17.7
1776½	1276	BICC	1769½	+½	6.4	9.2
173	115	Bailey Hunter	119½	-	11.5	5.6
385½	345½	Bbck	345	-2½	7.3	7.0
2525½	1952½	Bowthorpe	2329½	-5½	2.9	13.7
14½	9	Balph (AF) 'A'	11½	-	5.7	-
1745½	1427½	Cmb Mcrsl	1443½	-	5.3	18.6
39½	22½	Chemnal Hldgs	29½	+½	8.4	-
45½	37½	Chrysalis	43½	-	2.3	13.5
3727½	2709½	Gallaher	3724	-5½	5.8	15.3
1219½	1021½	Glaxo Wellcome	1215½	-½	2.4	17.7
1215½	1029½	Glaxo Wellcome ADR	1215½	-	2.4	-



■ FILM 1

Old-fashioned romance, wittily played by Pfeiffer and Clooney, is supplied by *One Fine Day*



■ FILM 2

Gangsters in distress quarrel to no great effect in the harsh *City of Industry*

THE TIMES
ARTS



■ FILM 3

Unhook the Stars depicts a middle-aged widow dealing with life's highs and lows



■ FILM 4

Jean-Claude Van Damme turns director for a dollop of martial-arts tosh called *The Quest*

CINEMA: **Geoff Brown** sees two faces of the Nineties recreate the romantic comedies of the Thirties in *One Fine Day*

Batman and Catwoman hit it off

One Fine Day
Odeon Leicester Square
PG, 108 mins
Beguiling romantic comedy

City of Industry
Warner West End
18, 96 mins
Thriller with ideas above its station

Unhook the Stars
ABC Shaftesbury Ave
15, 104 mins
The world's most uneven film

The Quest
Plaza, 18, 95 mins
Martial arts rigmarole from Jean-Claude Van Damme

Jour de Fête
Curzon Phoenix
U, 87 mins
Jacques Tati resplendent in colour



Upwardly mobiles: George Clooney and Michelle Pfeiffer come to grips with children (Mae Whitman and Alex D. Linz), quips and modern single parenthood in *One Fine Day*

Manhattan in films comes in two basic styles: romantic and grungy. **One Fine Day** takes the romantic approach. The borough is frantic, but functioning. There are ample taxis that whisk characters uptown and down to meet their appointments: appointments at skyscraper offices, beauty parlours, Central Park and the 21 Club. No one is poor, homeless, or peering down the barrel of a gun.

Not that the film has its head completely tucked in the clouds. Michael Hoffman's genial comedy tackles a major modern problem: how to juggle kids and a career. The two leading characters are single parents, each used to spending their days in a whirlwind of meetings and mobile phones. Michelle Pfeiffer is with a firm of architects currently wooing a major client. George Clooney, fiery columnist for the *Daily News*, is pursuing a major City Hall scandal. Circumstances leave both of them with their five-year-old offspring on their hands. What to do? If the kids come to the offices, they raise havoc. If they are deposited at a child-minding centre, they belly-ache, or are bullied.

The troubles of getting through the working day with two demanding children are compounded by the usual frictions of Hollywood romantic comedies. From the first moment of meeting, on a school doorstep, Clooney and Pfeiffer spar. He is personable, laidback and cocky, smiling at all comers; she is a belligerent workaholic who showers Clooney with disdain. If the film had been made in the 1930s, he'd be Clark Gable; she'd be Claudette Colbert, or Jean Arthur. And, as with their forerunners from the Golden Age, sparring leads to a softening of feelings. Love may not bloom outright between them, but the audience is left with the possibility.

Hoffman skilfully keeps the old-fashioned show on the road, and gives both stars plenty of chances to strut their stuff. Somewhat submerged by his Batsuit in *Batman & Robin*, Clooney here displays an easy charm and a light touch: just what romantic comedy requires. Another *Batman* alumnus, Pfeiffer is also in fine form, subtly shifting her character between the self-centred high-flyer and the harassed loving parent. The two children, Alex D. Linz and Mae Whitman, veer a little towards the cute, but no lasting damage is done.

And now to the ultimate nightmare. You arrive at your dismal Los Angeles house, worn down by troubles, to find Harvey Keitel sprawled on the front lawn, bruised, battered and groaning. Famke Janssen, wife of a blundering jailbird roped into a jewel robbery, faces this prospect in **City of Industry**. It's just too much.

So, frequently, is the film, directed by John Irvin, which wastes no time trying to impress the viewer with harsh photography of LA freeways and industrial squalor. This is to be no hip, glitzy thriller, these images tell us: prepare instead for existential dread.

The trouble is that beneath these bleak images there lies a quite unexceptional tale of thieves falling out and the itch for revenge. Keitel had been summoned from a placid life in the Midwest to help his younger brother (Timothy Hutton) stage a robbery. The job is successful, but leaves Janssen's husband and Hutton dead and Keitel gunning for the team's firebrand, Stephen Dorff.

The film's writer, Ken Solarz, shows signs of the influence of Jean-Pierre Melville, supreme chronicler of gangsters in spiritual distress: but he cannot match Melville's intensity or insight. Keitel ignores the script's limitations and gives a robust, well-shaded performance, although it is one we have seen before. Only Dorff, a volcano in dark glasses, gives this pretentious drama the spark of unpredictability.

Few recent films veer so alarmingly between good and bad as **Unhook the Stars**, the directing debut of Nick Cassavetes, son of John, an icon among American independent film-makers. One moment we watch Gena Rowlands do something marvellous as the heroine Mildred, a middle-aged suburban widow with a gap in her life. The next we stare incredulously as she makes sweet music with Gérard Depardieu, a French-Canadian trucker who wears loud check shirts and stands out like a sore thumb. Elsewhere, we laugh when Marisa Tomei unsettles the gathering at Rowlands's Thanksgiving dinner by abusing her absent husband down the phone; then we groan at the stale treatment of Rowlands's yuppie son in his antiseptic eyrie in San Francisco.

There are reasons for Depardieu's appearance: his company helped to produce and financed the project. There are better reasons for Rowlands's: she suits her part, and is the director's mother (see interview on page 39). Her powerful performance rivets the attention as she befriends Tomei, her new neighbour, and takes charge of Tomei's six-year-old son (Jake Lloyd). You feel her tenderness, her need to love. You also see how easily she can smother.

Cassavetes, better known as an actor, still has some distance to travel as a director: there are misjudgments in tone and in pacing. But hats off to him for ignoring market trends, shaping a drama sensitive to the crises of middle age, and giving Rowlands her best role in years.

Another actor turns director in **The Quest**. He is Jean-Claude Van Damme, he of the muscles and high kicks. Taking charge of a movie might be considered a career advancement, but in Van Damme's case it seems a step back, for the material of *The Quest* limits audiences to his core following of martial arts fans.

Admirers of tosh might be faintly amused by a creaky plot that lifts Van Damme's street criminal from the crowded streets of 1920s New York via kidnapping, slavery and pirate rescue to a global fighting contest in the Lost City of Tibet. They might snicker at Roger Moore's Lord Edgar Dobbs, British Navy captain turned international rascal, but *The Quest*, directed with mild proficiency, is never ludicrous enough to generate affection, and even martial arts fans may blanch at the prospect of getting their kicks wrapped up in such dusty packaging.

After being pummelled by *The Quest*, relax with the revival of **Jour de Fête**, Jacques Tati's first feature, now nearly 50 years old. Tati always intended this droll picture of a village and its bumbling postman to be in colour, but he shot the film in an archaic process that defeated attempts to make an acceptable print. The version released was a substitute, shot as a precaution in black-and-white. The colour material survived, however, and with technical problems licked *Jour de Fête* can now be seen in something like the glory that Tati intended, bathed in pale, carefully co-ordinated colours.

The postman is Tati himself, lanky and resplendent in cap, big boots and shoulder bag. A cinema booth at the village fête shows a documentary extolling the slick efficiency of American postal methods. Tati responds by speeding round the lanes.

The film was shot in the Touraine village where Tati spent the years following the French surrender, and the feeling of postwar liberation is one of its incidental pleasures. But the principal joy is the spectacle of a master clown paving the way for *M. Hulot's Holiday*. François the postman is Hulot in embryo, long limbs gyrating whenever disaster strikes, pestered by everything from flies to flagpoles. The film is joyous, humane and light as air.

'A fluffy lovefest'

Every week, young film fans discuss the latest releases . . .

■ *ONE FINE DAY*
Damian Samuels, 20: A light, fluffy lovefest to warm the cockles of your heart.
Leslie Isaiah Thomas, 18: A snug and lovely movie.
Tom Hertogs, 17: A funny story about two single parents who are thrown together for one day and end up falling in love.
George Frewer, 20: George Clooney has proven in just two weeks that he is a major movie star.

■ *CITY OF INDUSTRY*
Damian: Harvey Keitel mumbles his way through as only he can in true Tarantino style.
Leslie: The impossibly handsome Stephen Dorff continues to impress.
Tom: A gripping thriller.
George: Keitel is an absolute diamond and steals the show.

■ *THE QUEST*
Damian: Perhaps the worst and yet the most entertaining film you are likely to see at the same time.
Leslie: Movie careers normally go to beautiful people or those with talent. Jean-Claude Van Damme clearly fits neither category.
Tom: The martial arts and special effects were impressive.
George: With acting this wooden, you could be forgiven for thinking you were watching an advert for a pine furniture store.

SNAP VERDICT

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4 Further Information

For the Challenge office on 0171 405 7273 or 0141 221 2225 (Scotland)

or you can access the Internet site on http://www.golftoday.co.uk/timescorpgolf/

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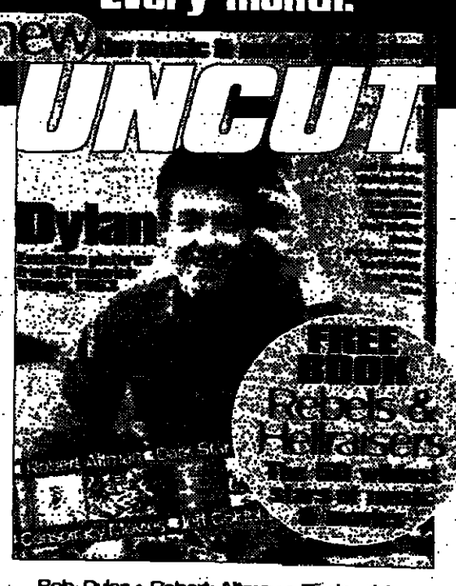
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■ FILM 5

The consummate actress Gena Rowlands has rebuilt her career — with a little help from her son



■ FILM 6

Out on video: a compelling look at the avant-garde in the acclaimed *I Shot Andy Warhol*

THE TIMES ARTS



■ NEW CDS 1

Shostakovich in his strange "jazz" mode is delivered with an aptly light touch . . .



■ NEW CDS 2

. . . and Webster Booth, the popular British tenor of the 1940s, is recalled in a new compilation

Gena keeps it in the family

John Cassavetes gave his wife, Gena Rowlands, her best film roles; now their son is writing them for her. **Sheila Johnston** met her



Gena Rowlands: "If an actress has two really exceptional roles in her lifetime, she's a lucky woman. I've had seven or eight"

The actress Gena Rowlands and the film director John Cassavetes, a real-life husband and wife team, made an unbeatable team on screen. She brought to their films a humour, warmth and sweetness which illuminated the macho, boozy, seedy settings. He was (as his wife once conceded) no picnic to work with. But he repaid her handsomely with great roles in such films as *Gloria* and *A Woman Under the Influence*, at a time when the pickings for American actresses were woefully slim.

After Cassavetes died in 1979, a question mark hung over Rowlands's future as an actress. Ben Gazzara, her co-star in many of these movies, once said that no other director knew quite what to do with her. "I don't know; that's Ben's call," says Rowlands, still beautiful at 63. But she admits: "The best parts I have ever had, John wrote. If an actress has two roles in her lifetime which are really exceptional, she's a lucky woman. I've had seven or eight."

Over the past two decades she has rebuilt her career with parts including a college professor confronting the emotional emptiness in her own life in Woody Allen's *Another Woman*; a fragile but selfish Southern belle with dreams of fame as a singer in Terence Davies's *The Neon Bible*; and a stream of television work including the title role in *The Betty Ford Story*, for which she won an Emmy. But last year she was given one of her best parts by her son, Nick Cassavetes, in his first film as a writer-director, *Unhook the Stars* (reviewed, left).

His decision to follow in his father's footsteps must have seemed at one time inevitable. "Our film sets were in our house a great deal of the time," Rowlands says. "The children couldn't get away from it if they tried. Cables all over the place and cameras and lights and thousands of people cooking spaghetti in the kitchen.

"*Faces* (1968) was shot back and forth between my mother's house and our house and edited in the garage. John would have a thing like a coat rack with the strips of film hanging on it. He didn't like the more modern editing techniques; if he couldn't let the film run through his hand he wasn't happy."

Nick made his screen debut at the age of 11, when Cassavetes Sr promised him some new toys if he would play with them on camera in *Husbands* (1970). When an accident ended his hopes of being a basketball player, he said he wanted to go to the American Academy, where both his parents had been. "Everyone should go to drama school," says Rowlands. "It's freeing and fun, and I think it helps you in anything that you do.

> "Everyone should go to drama school; it's freeing and fun"

"I don't know that I gave him any advice except to say, 'Don't waste your time doing it unless it makes you happy.' Which happens a lot, especially in show business. It's a dazzling life to look at, but it's got a lot of really difficult things emotionally."

In *Unhook the Stars* Rowlands plays a wealthy widow who strikes up an unlikely friendship with a working-class neighbour (Marisa Tomei) and her shy son, played by the six-year-old Jake Lloyd. "Kids are scene-stealers, no question about that, but it's very creative working with them."

More difficult was a moment which required her to hop into the cab of an 18-wheeler truck. "I had on a little skirt and high heels and the first step is above your eyebrows. I figured they would give me something to stand on and go for a close-up. Nick said, 'No, mom, you can do it. Other people get in 'em, why shouldn't you?' It was a little tricky."

Of working with her husband and her son she says: "Their personalities are not alike. John's much more volatile and all over the place — noisier too. Nick is a bit quieter. He handles everything with humour. But one thing I notice is that they both adore actors and have the utmost patience with them. I was happy to see that and, believe me, it's not always the case.

"The main difference is that there was no improvisation in Nick's film. One day I didn't get one of the lines quite right. It would have passed in most places. But Nick is very precise about language. John, on the other hand, dictated his scripts. He very seldom wrote them down. He had a writing secretary who was with him for many years. It always amazed me. He had the most formidable memory I have ever encountered.

"He was one of the first to write speech as it is spoken on the street, at least in America. Writers very often are highly educated and they have taken a lot of writing classes. Not only that — writers love words and they like to put them together in just the right way. But people don't speak like that necessarily."

Has she ever wanted to direct? "I don't see how anyone has the patience to direct anything. I know it's a question of temperament but to me it would be torture. People ask you questions all day long, and not particularly interesting ones.

"The art director is saying, 'Do you think that the colour of this suit is all right?', and the photographer is saying, 'I think we should get the windows', and an actor is saying, 'I don't want to wear make-up.' These are questions that would make me want to shoot myself in the head. Not creative, wonderful questions about your character. So you have to have extreme love and patience, and I don't have that." Looking back at Gena Rowlands's magnificent work over the last 40 years, one might beg to differ.

NEW ON VIDEO

Deranged attack on the ridiculous

■ **I SHOT ANDY WARHOL**
BMG, 18, 1996
MARY HARRON's incisive portrait of the Warhol circus features a wonderful, transfixing performance from Lili Taylor as the disturbed and voluble Valerie Solanas, who fired bullets into the laidback guru of modern art in 1968. Alongside stands Jared Harris's eerie impersonation of Warhol, so drugged out that he's hard pressed to speak at all. Rage versus vacuity: the conflict generates incredible tension, and much incidental comedy. Available to rent.

■ **SLEEPERS**
PolyGram, 1996, 18
AFTER suffering abuse in a reform school as teenagers, four men band together to avenge themselves on the sadistic guard responsible. A simple enough tale, though director Barry Levinson pumps it up unpalatably with grandiose effects. The cast list is impressive: Kevin Bacon, Brad Pitt, Robert De Niro, Dustin Hoffman. But the film is best when the characters are young, living dangerously in Manhattan's Hell's Kitchen. Available to rent.

■ **MIDNIGHT COWBOY**
MGM, 1969, 18
NEW YORK's seedier sights and characters fill the canvas of John Schlesinger's first American film, a bristling and busy study of a Texan hustler trying to survive. Technically too flashy at times, but Waldo Salt's funny script and two dedicated performances from Dustin Hoffman and Jon Voight keep the film steady. Issued with its original trailer and smart packaging: one of the new Modern Classics series from MGM.

■ **THIS IS SPINAL TAP**
BMG, 15, 1984
ROB REINER and company's adorable spoof "rockumentary" returns to video with stereo sound, useful for catching the musical subtleties of the veteran English rock band and their heavy metal album *Smell the Glove*. The subject is parodied with loopy humour, a sharp eye for pretensions, and a great flair for detail. Album artwork, album titles (my favourite: *Intravenous de Milo*), the crass song lyrics, the fuzzy BBC clip from 1965: all seem exactly, and wickedly, right.



Lili Taylor is Valerie Solanas in *I Shot Andy Warhol*

■ **THE THING**
4-Front, PG, 1951
"AN INTELLECTUAL carrot — the mind boggles!" Dialogue like that keeps us smiling, yet this science fiction drama deserves its reputation for high dramatic tension and intelligence. Christian Nyby is the nominal director, but you can see the fingerprints of producer Howard Hawks in the portrait of men under stress at their Arctic base, the rapid dialogue, and no-nonsense visual style. James Arness, from *Gunsmoke*, plays the alien visitor, though he's kept offscreen for much of the time.

GEOFF BROWN

NEW CLASSICAL CDs: Swinging Shostakovich; choral masses; a fine tenor

A composer in rare good humour

ORCHESTRAL
Barry Millington

■ **SHOSTAKOVICH**
Jazz Suites 1 & 2; Ballet Suites 1 & 3
Frankfurt Radio SO/Kitaenko
RCA Victor Red Seal 09026 68304 2, £14.99 ★★★
THE title Jazz Suite for the two sequences of dance movements assembled by Shostakovich in the 1930s is something of a misnomer. But even if the music is hardly "jazzy" in the accepted sense, it nevertheless shows the composer in rare good humour. These polkas, waltzes and other dances are close to the idiom of Johann Strauss and Viennese operetta, though the occasional saxophone or accordion puts us in mind of the decadence of a later era.

Dmitri Kitaenko and his German forces have a nice line in suave melodiousness and can also breeze confidently through the brisk movements.

While the Jazz Suites were the result of the Soviet regime's attempt to neutralise the anarchically alien spirit of jazz, the Ballet Suites, containing a similar type of music, gather numbers from Shostakovich's ballets of the period. They contain genial, often witty, always attractive music, and Kitaenko delivers them with a light touch.

CDs reviewed in *The Times* can be ordered from the Times Music Shop on 0345 023498

CHORAL
Hilary Finch

■ **VICTORIA**
Devotion to Our Lady
The Sixteen / Christophers
Collins Classics 15012, £14.49 ★★★
MAY is Mary's month: but better late than never to hail the first volume in a new series of the major choral masses and related music of Tomás Luis de Victoria. Victoria represents a glorious consummation of 16th-century polyphony and was a herald of Hispanic music to come. His choral works draw a new fervour and depth of vocal colour from The Sixteen, conducted by Harry Christophers and here recorded in the outstanding acoustic of St Jude's, Hampstead.

The great *Salve Regina* for double choir is gently inflected, yet moves with a strong impetus of ardour towards each "Salve" and each firm cadence. The Mass based on this eight-part antiphon follows, loud with sudden paeans of praise as tempo and metre shift. A carillon of Hosannas rings out in the Sanctus, matched only by the pealing Alleluias of the *Regina coeli*. Neglected hymns like the *Ave maris stella* are also included, with an effulgent *Alma redemptoris mater* and a muscular *Magnificat*.

OPERA
John Higgins

■ **WEBSTER BOOTH**
In Opera and Song
Memoir CDMOIR 435, £9.99 ★★
WEBSTER Booth might have played for Aston Villa but he wisely became a tenor instead. Few British singers exceeded him in popularity during the 1940s, although he appeared only a handful of times on stage in opera. His fame came from variety and concert halls and, most especially, from radio, often in partnership with his soprano wife Anne Ziegler. It was an ideal broadcasting voice: light, fluent, each note easily linked to the one before. Booth, most English of tenors, always sang in his native language, savouring every syllable.

The operatic selection on Memoir's wide-ranging disc does not always show him at his best, despite the support of artists such as the two Joans, Cross and Hammond, and Edith Coates. He needs time to get into his stride. The *Butterfly* duet is the pick because the soprano (Hammond) is first out of the starting gate. But give Booth a sentimental ballad such as *The Rose of Tralee*, Gerald Moore accompanying, and he is away. He puts a very un-American — and welcome — spin to Kern's *The Way You Look Tonight*. And he shows in Lehár's *Oh Maiden, My Maiden* that there were plenty of Tauberesque reserves when needed.

★ *Worth hearing*
★★ *Worth considering*
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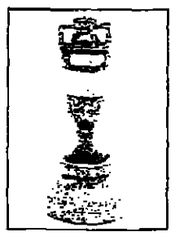
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CHOICE 1

Elvis Costello's composition, *Tom Thumb*, receives its world premiere

VENUE: Thorndon Country Park South, Brentwood



CHOICE 2

An exhibition of *Ashes* memorabilia is a must for all cricket fans

VENUE: Australia House in the Strand

THE TIMES
ARTS



CHOICE 3

Toyah Willcox plays in an alfresco production of *Much Ado About Nothing*

VENUE: At Ludlow Castle in Shropshire



MUSIC

Michael Berkeley has put a contemporary fizz back into the Cheltenham Festival

Cheltenham racy course

The composer Michael Berkeley has given one of Britain's oldest music festivals a new lease of life. John Allison talked to him

Even to the relatively small audiences that contemporary composers reach, the men and women behind the music are seldom recognisable faces. Michael Berkeley admits that his high profile is the result of his parallel broadcasting career. "It can be a nuisance when you're trying to become known as a composer. But every composer has to earn a living, and broadcasting was how I made mine after leaving college. Besides, there's a bit of the frustrated performer in me."

Berkeley also wears another hat: he is artistic director of the Cheltenham Music Festival, which opens on Saturday. With no fewer than two dozen world premieres on offer, there is a strong accent on modern music, but also an Austro-Germanic theme inspired by the anniversaries of Brahms, Schubert and Mendelssohn. The wide scope of the festival encompasses even Johannes Ockeghem, 500 years after his death. Since taking control of the festival two years ago, Berkeley has transformed a part of British musical life once considered, like its home, a little staid.

His connections with new music go back to childhood. His father was the most Francophile of British composers, Lennox Berkeley; his godfather Britten. Poulenc and Walton were regular visitors to the house. For a while he rebelled against this background, playing in a rock group called Seeds of Discord. "My father scratched his head over that, especially when we were practising in the basement while he was trying to compose upstairs." But most of these figures can be detected as influences on Berkeley's style, along with his other great formative experience, singing as a chorister in Westminster Cathedral.

This summer has been a good time to assess the music of the 49-year-old Berkeley. Even though his most important scores, like the clarinet and organ concertos, the opera *Baa Baa Black Sheep* and the string quartet *Magnetic Field*, have not been played, both the Spitalfields and Aldeburgh festivals featured him in "Composer Portrait" concerts. Against two general trends, of modern music becoming easier on the ear and the gradual mellowing that most composers seem to experience, Berkeley is retreating from easy accessibility. There is less of the lyricism and what he calls "the naughty French harmonies". "I'm a late developer. My father was too. I'm now just finding my own real language."

His own music will not be prominent at Cheltenham this year, although for the first time he will be highlighting his father's work. "I know he's out of fashion — I feel rather sad for my mother — but I think his best chamber pieces will stand the test of time. People ask if I didn't fall under his shadow, but in a way I never did. He was quite contained and insular, and I sometimes found that frustrating, because I wanted his music to shout and scream at me. There was an awful moment when he realised I was getting interested in a different kind of music, in Boulez and those things. I think he minded because it meant I wasn't so interested in what he was doing. But I've come back."

It is Berkeley's policy at Cheltenham to include one work by a living composer in each programme. "A living composer of whom I approve! The minimalists can take care of themselves, but there is a shortage of performing space for those composers who have a more cerebral, gritty style. The pendulum has swung too far the other way from the diktats of the Sixties. Now, almost anything goes. Under the guise of reinventing the past there's a lot of bland music being written. It lacks integrity."



Michael Berkeley: showcasing his father's music at this year's festival

Important orchestral premieres over the next fortnight include commissions from John Buller, Vic Hoyland and Julian Anderson, and each will be framed by well-loved masterpieces rather than more contemporary music. "I know that if we put on Brahms and Beethoven the audience will lend me their ears for 15 minutes."

Berkeley is currently writing pieces for the Takacs Quartet, the London Symphony Orchestra and Colin Davis, and the National Youth Orchestra and Rostropovich. And before he leaves Cheltenham in 2000, he plans another opera there, to a libretto by David Malouf based on the domestic core of *Jane Eyre*.

● *The Cheltenham Festival (01242 227979) begins on Saturday and runs until July 20*

The BBC Symphony Orchestra appears at the Cheltenham Festival on Friday July 11 at 7.30pm, playing Brahms, Mahler and a new work by Vic Hoyland. The first 25 *Times* readers to call the box office (01242 227979) can buy two tickets for the price of one.

After the bop was over

JAZZ

Bobby Watson
Ronnie Scott's

ACCORDING to Bobby Watson, small-group acoustic jazz reached such a peak of perfection in the 1950s and 1960s that contemporary outfits playing in the medium would do well to avoid straightforward emulation of the form's classic practitioners: "That's not moving the tradition forward, playing their jazz. What does is taking what *you* grew up with and adding to it, creating new traditions." Accordingly, the 43-year-old Kansas-born saxophonist is one of 1990s jazz's restless souls, his music clearly imbued with his love and respect for bop and hard-bop's classic figures, while being thoroughly modern.

Like his one-time mentor, Art Blakey, for whose celebrated Messengers Watson was MD in the late 1970s, he is a keen stimulator of youthful talent. But unlike Blakey he does not shape his band members into a pre-existing musical mould, but uses their freshness and creativity to fashion those "new traditions". In this particular quartet, at Frith St until Saturday, experience is represented by Watson and Essiet Okon Essiet — the Messengers' last bassist — and youth by keyboard player Orrin Evans and drummer Rodney Green Jr.

The music is a species of polished but passionate post-bop, with the emphasis strongly on the "post". Having captured the audience's attention with an exuberant, bubbling solo alto introduction, executed at blistering speed and packed with eel-like twists and turns, Watson led his band into an insistent but lively theme entitled *Thank You*, creating a platform for Evans to execute a sparkling solo on acoustic piano, and for Essiet to produce a more circumspect contribution.

Watson's is one of the brightest, most fluent alto sounds in the music, at its best when vigorously propelled by a sensitive but hard-driving drummer. Victor Lewis, the doyen of such players, has frequently filled Watson's drum chair, but in Rodney Green Jr he has found a worthy successor. Brisk, assertive, but always alive to the many rhythmical nuances in Watson's tricky themes, Green is as at home hammering out a regular backbeat without allowing it to lapse into robotic regularity as he is slyly embellishing breezy originals like *Ode to Aaron* dedicated to Watson's infant son.

Its musical texture varied by Evans's judicious use of keyboard effects, but always foregrounding Watson's inventiveness, the quartet provided the perfect support for Watson's artistic objective: "You constantly need to redefine yourself, because you are your main competition."

CHRIS PARKER

TODAY'S CHOICE

A daily guide to arts and entertainment compiled by Gillian Maxey

LONDON

ACADEMY OF ST MARTIN-IN-THE-FIELDS Sir Neville Marriner conducts the orchestra in the world premieres of two children's compositions. *Tom Thumb* by Elvis Costello, with narration by Zoe Ball, and *Green Mar Ns* by Paul Pritchard, with narration by Tom Arnold. With children from William Edward's School, Marshalls Park School and Brentwood Ursuline Convent School. The concert at 8pm is preceded by children's performances from 7pm. **Thorndon Country Park South** Brentwood (0171-702 1577) Tonight

ASHES TO ASHES Visitors to the exhibition of Ashes cricket memorabilia will be able to relive some of the greatest moments of cricketing rivalry between England and Australia. The exhibition includes television footage and hands-on computer-operated games. **Australia House,** The Strand, WC2 (0171-836 0806) Sat-Wed, 11am-6pm, Thurs and Fri, 11am-9pm. Until September 12

GREAT SALZBURG MASS This performance of Heinrich Biber's glorious large-scale religious work forms part of the City of London Festival and the tercentenary celebrations of St Paul's Cathedral. Paul McCreesh conducts the Gabrieli Consort and Players and Reinhard Goebel conducts Musica Antiqua Koln. **St Paul's Cathedral** EC4 (Barbican Box Office 0171-638 8891) Tonight, 9pm

■ CLOSER In Patrick Marber's new play, directed by himself, Sally Dexter and Liza Walker, Ciaran Hinds and Clive Owen play strangers who fall romantically but cruelly in love. **National (Cottesloe),** South Bank, SE1 (0171-928 2252) Tonight-Sat, 7.30pm, mat Sat 2.30pm. In rep

☐ DAMN YANKEES West End debut for Jerry Lewis, he is leading an all-American cast in the Richard Adler/Jerry Ross musical about the baseball fan who sells his soul to the devil. **Adelphi,** Strand, WC2 (0171-413 1777) Mon-Sat, 7.30pm, mats Thurs and Sat, 2.30pm

☐ ELVIS — THE MUSICAL Three actors-singers take us through the life of the king, with Michael Dimin playing the mature Elvis. Three-month season. **Piccadilly,** Denman Street, W1 (0171-369 1734) Mon-Thurs, 8pm, Fri and Sat, 5.30pm and 8.30pm

☐ THE HERBAL BED Peter Whelan's fascinating play, Teresa Banham plays Shakespeare's daughter and Stephen Boxer her Puritan inquisitor. **Duchess,** Catherine Street, WC2 (0171-494 5075) Mon-Sat, 7.30pm, mats Wed and Sat, 2.30pm

☒ LADY WINDERMERE'S FAN Braham Murray's production of Wilde. Gabrielle Drake plays the woman with a past, Rebecca Johnson the virtuous wife without a mother. **Theatre Royal,** Haymarket, SW1 (0171-930 8800) Mon-Sat, 8pm, mats Thurs, 3pm, Sat, 5pm. Until July 12

☐ TOM AND CLEM Stimulating play with Alec McCowen and Michael Gambon as sober Attlee and flamboyant Dalton, sorting out the world at Potsdam. **Aldwych,** Aldwych, WC2 (0171-416 6007) Mon-Sat, 7.30pm, mats Wed and Sat, 3pm

☐ THE WINTER'S TALE Mike Alfreds brings his award-winning Method & Madness Co to London for this year's ensemble season. Shakespeare's bittersweet comedy of jealousy and healing plays in repertoire with Ibsen's Ghosts. **Lyric,** King Street, Hammersmith, W6 (0181-741 2311) In rep Mon-Sat, 7.30pm. Until July 5

■ LIVE FROM BOERASSIC PARK Pieter-Dirk Uys returns for another look at the lost world of White majority rule, including a visit from his redoubtable *Mrs Evita Bezuidenhout*, South Africa's answer to Dame Edna and said to be Mandela's favourite Afrikaans icon. **Tricycle** 269 Kilburn High Road, NW6 (0171-328 1000) Mon-Sat 8pm, mat Sat, 4pm. Until July 5

☐ A MIDSUMMER NIGHT'S DREAM Rachel Kavanaugh's delightful production, akin to the comedy and the mystery, Edwardian costumes. **Open Air** Regent's Park, NW1 (0171-486 2431) Mon-Sat 8pm, mats various dates on Wed, Thurs, Sat. In rep with *All's Well That Ends Well*

☐ THE SCHOOL FOR WIVES Peter Bowles both touching and comic as Molière's deluded hero. Paul Barnes as his fiercely-fingered servant. Directed by Peter Hall. **Comedy** Panton Street, SW1 (0171-369 1731) Mon-Sat, 8pm, mat Wed, 3pm, Sat 4.30pm. Until July 26

☒ LONG RUNNERS

☐ **Blood Brothers** Phoenix (0171-369 1733) ☐ **Buddy** Strand (0171-930 8800) ☐ **Grease** Cambridge (0171-494 5060) ☐ **An Inspector Calls** Garrick (0171-494 5085) ☐ **Martin Guerre** Prince Edward (0171-447 5400) ☒ **Les Misérables** Palace (0171-434 0909) ☒ **Miss Saigon** Drury Lane (0171-494 5400) ☐ **The Mousetrap** St Martin's (0171-836 1443) ☐ **Oliver!** Palladium (0171-494 5020) ■ **The Phantom of the Opera** Her Majesty's (0171-494 5400) ☐ **Starlight Express** Apollo Victoria (0171-416 6054) ☒ **The Woman in Black** Fortune (0171-836 2238)

Ticket information supplied by Society of London Theatre

ELSEWHERE

DUNDEE: Scottish Ballet's latest national tour includes performances of Taglioni's *Les Sylphides* and Tam O'Shanter, a new work created by company dancer Lorna Scott. **Rep** Tay Square (01382 223530) Tonight and tomorrow, 8pm

LUDLOW Ludlow Festival's outdoor production of *Much Ado About Nothing* at Ludlow Castle continues. Toyah Willcox plays Beatrice, Glen Walford directs. The festival runs until July 6. **Festival Office** (01584 872150) Today, 2.30pm and 8.30pm

NOTTINGHAM Representing Lives is an exhibition by four women artists. Lubaina Himid's paintings investigate the history and identity of women architects. Soma Lawson's paintings engage with the Yorkshire of the Brontës and with personal imagery of childhood and series. Gender-related themes occur in mixed-media pieces by Denise Weston, and sculptor Hilary Carmel explores the demands of motherhood. **Bonington Gallery,** Nottingham Trent University, Bonington Building, Dryden Street (0115-948 6443) Mon-Thurs, 10am-5pm, Fri 10am-4pm, Sat 10am-5pm. Until July 26

WARWICK AND LEAMINGTON Today's events at the **Warwick and Leamington Festival** include concerts by the Ambrosine Chamber Orchestra at St Mary's Church, Warwick (7.45pm), and by the jazz pianist Jessica Williams at the Royal Pump Room, Leamington Spa (7.45pm). **Festival Box Office** (01926 496277) Until July 13

LONDON GALLERIES

Annely Juda David Hockney (0171-629 7578) **Art First** Landscapes from South Africa (0171-734 0396) **Barbican** Serious Games: Art Interaction Technology (0171-638 8891) **Christopher Hull** Summer Exhibition (0171-235 0500) **Eskenazi** Chinese Buddhist Sculpture (0171-493 5454) **Gallery 27** Quest, Visual Metaphors: Recent Works by Sudha Punshi (0171-734 7595) **Harriet Green** Purely Painting (0171-287 8328) **Lumley Cazalet** Elisabeth Frink: Sculpture and Drawings 1966-1993 (0171-491 4767) **National** Seurat and the Bathers (0171-747 2885) **The Photographers' Gallery** On Hong Kong: Ryuji Miyamoto, Yau Leung (0171-831 1772) **Tom Blau** Adults in Wonderland: Picturing the Perverse by Grace Lau (0171-379 1300)

THEATRE GUIDE

Jeremy Kingston's assessment of theatre showing in London

■ **House full, returns only**
☒ **Some seats available**
☐ **Seats at all prices**

■ **LIVE FROM BOERASSIC PARK** Pieter-Dirk Uys returns for another look at the lost world of White majority rule, including a visit from his redoubtable *Mrs Evita Bezuidenhout*, South Africa's answer to Dame Edna and said to be Mandela's favourite Afrikaans icon. **Tricycle** 269 Kilburn High Road, NW6 (0171-328 1000) Mon-Sat 8pm, mat Sat, 4pm. Until July 5

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Ticket information supplied by Society of London Theatre

CINEMA GUIDE

Geoff Brown's assessment of films in London and (where indicated with the symbol ◆) on release across the country

NEW RELEASES

◆ **BATMAN & ROBIN** (PG) Schwarzenegger's Mr Freeze tries to hold Gotham to ransom. Exhausting epic with George Clooney, Chris O'Donnell and Uma Thurman. Director Joel Schumacher. **ABCs: Baker Street** (0171-935 9772) **Tottenham Court Road** (0171-636 6148) **Barbican** (☒ (0171-638 8891) **Clapham Picture House** (0171-498 3323) **Greenwich** (0181-285 3005) **Notting Hill Coronet** (☒ (0171-727 6705) **Odeons: Kensington** (0181-315 4214) **Marble Arch** (0181-315 4216) **Swiss Cottage** (0181-315 4220) **Rio** (0171-254 6677) **Ritzy** (0171-737 2121) **Screen/Green** (0171-226 3520) **UCI Whiteleys** (☒ (0990 888990) **Virgins: Chelsea** (0171-352 5096) **Fulham Road** (0171-370 2636) **Trocadero** (☒ (0171-434 0031) **Warner West End** (0171-437 4343)

THE BATTLE OF ALGIERS Gillo Pontecorvo's masterly drama about the Algerian struggle for independence, made in 1965. **ICA Cinema** (0171-930 3647)

FRANTZ FANON: BLACK SKIN WHITE MASK Absorbing poetic portrait of the black intellectual. Director Isaac Julien. **ICA Cinema** (0171-930 3647)

◆ **LOVE JONES** (15) Modern courtship among Chicago's blacks. Enchanting romance with Larenz Tate and Nia Long. **Ritzy** (0171-737 2121) **Virgin Trocadero** (0171-434 0031)

◆ **THE FIFTH ELEMENT** (PG) Flabby sci-fi epic from Luc Besson with Bruce Willis as the taxi-driver who might save the world. **Clapham Picture House** (0171-498 3323) **Empire** (0990 888990) **Greenwich** (0181-235 3005) **Odeons: Kensington** (0181-315 4214) **Marble Arch** (0181-315 4216) **Swiss Cottage** (0181-315 4220) **Ritzy** (0171-737 2121) **UCI Whiteleys** (☒ (0990 888990) **Virgins: Chelsea** (0171-352 5096) **Fulham Road** (0171-370 2636) **Trocadero** (☒ (0171-434 0031)

JOHNS (16) Sympathetic drama about Los Angeles hustlers, with Lukas Haas and David Arquette. Director Scott Silver. **ABC Piccadilly** (0171-437 3561) **Metro** (0171-437 0757)

◆ **RIDICULE** (15) Patrice Leconte's witty and diverting costume piece set in Louis XVI's court, with Fanny Ardant, Jean Rochefort. **ABC Swiss Centre** (0171-439 4470)

◆ **SCREAM** (18) Wes Craven's rousing horror romp with Neve Campbell and mayhem galore. **Odeon Mezzanine** (☒ (0181-315 4215) **Warner** (0171-437 4343)

WILLIAM SHAKESPEARE'S ROMEO + JULIET (12) Effervescent contemporary treatment, with Leonardo DiCaprio and Claire Danes as the star-crossed lovers. Director: Baz Luhrmann. **Odeon Mezzanine** (☒ (0181-315 4215) **Plaza** (☒ (0990 888990) **Warner** (0171-437 4343)

CURRENT

◆ **THE CHAMBER** (12) Gloomy Death Row drama, from John Grisham's novel with Chris O'Donnell and Gene Hackman. Director, James Foley. **Empire** (☒ (0990 888990) **UCI Whiteleys** (☒ (0990 888990)

◆ **CON AIR** (15) Nasty prisoners hijack their plane. Ferocious rollercoaster ride with Nicolas Cage, from producer Jerry Bruckheimer. **Greenwich** (0181-225 3005) **Odeons: Kensington** (0181-315 4214) **Marble Arch** (0181-315 4216) **Swiss Cottage** (0181-315 4220) **West End** (0181-315 4221) **UCI Whiteleys** (☒ (0990 888990) **Virgin Fulham Road** (0171-370 2636)

◆ **THE DEVIL'S OWN** (15) New York cop Harrison Ford unwittingly shelters Brad Pitt's IRA remnant. Foolish drama directed by Alan J. Pakula. **Greenwich** (0181-235 3005) **Odeons: Haymarket** (0181-315 4212) **Kensington** (0181-315 4214) **Marble Arch** (0181-315 4216) **Swiss Cottage** (0181-315 4220) **UCI Whiteleys** (☒ (0990 888990) **Virgins: Chelsea** (0171-352 5096) **Trocadero** (☒ (0171-434 0031) **Warner** (☒ (0171-437 4343)

ART GALLERIES

NEW GRAFTON GALLERY
49 Church Road
Barnes, SW13
0181 748 8850
Artists of Today and Tomorrow Part I
Until 26 July

OPERA & BALLET

COLISEUM 0171 632 8300
8 JULY to 9 AUGUST
THE KIROV BALLET
"THE BEST" Swan Lake/Don Quixote/Symphony in C & Giselle/The Sleeping Beauty/The Fountain of Bakhchisaray/Firebird/Dying Swan, Le Spectre de la Rose, Polovtsian Dances/Romeo & Juliet/Les Sylphides, Scheherazade, The Firebird

COLISEUM 0171 632 8300 (24hr) **ENGLISH NATIONAL OPERA** Tonight 7.00 (GALA EVENING IN AID OF THE NATIONAL SCHIZOPHRENIA FELLOWSHIP) **CARMEN** Tomor 7.30 (LAST PERF) **DON PASQUALE**

ROYAL OPERA HOUSE 0171 304 4000 for Box Office & Standby info. Tickets available on the day. **The Royal Opera** Sun 7.30 **DENNIS O'NEILL** In recital. Mon 5.00 **DIE MEISTERSINGER VON NÜRNBERG** Verdi Festival. Tonight 7.30, Sat 8.00 (Last Night) **MACBETH (1847) in concert** Tomor, Tue 7.30 **SIMON BOCCANEGRA (1857)** **The Royal Ballet** Sat 1.00pm, Wed 2.30 & 7.30 Tharp's **PUSH COMES TO SHOVE/** Forsythe's **STEPTEXT/** Cusev's **THE TALISMAN PAS DE DEUX/** Balanchine's **SYMPHONY IN C**

THEATRES

ADELPHI cc 24hrs 0171 344 0055/ 0171 420 1230 (€1 bkg fee) **RUTHIE HENSHALL** **UTE LEMPER**
CHICAGO
THE DROP DEAD BROADWAY HIT
Previews from 27 Oct. Opens from 18 Nov.

ADELPHI "Ludicrously entertaining" D Tel
JERRY LEWIS
DAMN YANKEES
"SHOULD BE PLAYING INTO THE NEXT MILLENNIUM" S Times
Eves 7.30pm Mats Thurs & Sat 2.30pm. **Red. price Thurs mats. Red. price Family Tickets** 0171 413 1777 (24hrs) Grps 0800 614903. 0171 930 3000 (no fee)

ALDWYCH 0171 416 6007 (£1 bkg fee) **0171 420 0000 (24 hrs/no bkg fee)** Eves 7.30, Wed & Sat mats 3. **"THE BEST ORIGINAL PLAY IN TOWN** Herald Tribune **MICHAEL GAMBON ALEC McCOWEN** **"TOWERING PERFORMANCES"** Evening Standard
TOM & CLEM
a new play by **STEPHEN CHURCHETT**
Directed by **RICHARD WILSON**
Season ends 26 July
LAST 4 WEEKS

ALDWYCH 0171 416 6009 0171 420 0000 (24hrs/no bkg fee) Previews from July 30. **Opens Aug 5 at 7.00** **ALAN BATES** in
LIFE SUPPORT
A new play by **SIMON GRAY** Directed by **HAROLD PINTER**
Evgs Mon-Sat 8 Mats Wed & Sat 3

APOLLO LABATTS BO cc (no bkg fee) 0171 416 6083 cc no bkg fee 344 4444/ 420 0000 Grps 416 6075 freephone 0800 614 903
SUMMER HOLIDAY
"The Ultimate Feel Good Show" Cliff Richard, The Sun
Starring DARREN DAY ROSS KING **CLARE BUCKFIELD** **HILARY O'NEIL**
Limited Summer Season
Prevs from Tomor. Opens 8 July. Mon-Sat 7.30. Wed & Sat Mats 2.30

APOLLO VICTORIA cc 0171 416 6055 cc 24hrs 0171 344 4444/0171 420 0000 Grps 416 6075/413 3321 **Andrew Lloyd Webber's**
STARLIGHT EXPRESS
THE FASTEST SHOW ON EARTH
White knuckle runs 19.45 daily. Tue & Sat 3pm. Tickets from £12.50

APOLLO 24hr cc 0171 494 5070 cc 0171 344 4444 (bkg fee) Grps 0171 494 5454 **BEN ELTON'S**
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"Fast, funny and downright sexy" Evening Standard
"A bloody good night out." F T
Mon-Sat 8.00pm. Mats Wed 3.00pm Sat 4.00pm

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Starring SHANE RICHIE
"A Monster Hit" D Mirror
Mon-Sat 7.30pm. Wed & Sat mat 3pm
GREASE NOW BKG INTO 1998!

COMEDY 0171 369 1731 344 4444/420 0000 (24hrs) Eves 8. Mats Wed 3 & Sat 4.30 **THE PETER HALL COMPANY** *PETER BOWLES* CARMEN SILVEPA HENRI McGEE PAUL DANIELS
in Molière's hilarious comedy
THE SCHOOL FOR WIVES
"POSITIVELY GLITTERING... THIS IS AS GOOD AS IT GETS" Daily Mail

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THE COMPLETE WORKS OF WILLIAM SHAKESPEARE (abridged)
All 37 Plays in 97 Minutes
"Hilarious" Times
Mats Thur at 2, Sat at 5
Sun at 4, Eves at 8pm
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Mon-Sat 7.30. Wed & Sat Mats 2.30

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NOW IN ITS
6TH EXTRAORDINARY YEAR!
Eves 7.45 Mats Wed & Sat 3pm
Good seats avail for Wed Mat & some perfs - apply B.O. FOR TELEPHONE/POSTAL BOOKINGS & PERSONAL CALLERS
0171 494 5080 (BKG FEE)

DUCHESS BO/cc 0171 494 5075 (no bkg fee) cc 0171 344 4444, 420 0000 (bkg fee) **Royal Shakespeare Company**
THE HERBAL BED
"Peter Whelan's wonderful play... a love story, a moral thriller and a courtroom drama. **THRILLING...FAR AND AWAY THE BEST THING IN THE WEST END** S Times
Mon-Sat 7.30 Mats Wed & Sat 2.00
NOW BOOKING TO 4 OCTOBER

FORTUNE BO & CC 0171 836 2238/312 8033/494 5588
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EWAN HOOPER **MICHAEL HADLEY**
Susan Hill's
THE WOMAN IN BLACK
Adapted by Stephen Mallatratt
"The most thrilling and chilling play for years" D Mail
Mon-Sat 8pm. Mats Tues 3pm Sat 4pm
Running time 2hrs

GARRICK 0171 494 5085/312 1990/ 494 5368 (no bkg fee) Groups 0171 494 5454
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The Royal National Theatre Production
PIP DONAGHY **SUZANNE BERTISH**
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JP Priestley's
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"THRILLING...MUST BE SEEN" D Mail
"TWO HOURS OF ENTHRALLING, VISUALLY STUNNING DRAMA" D Tel
Mon-Fri 7.45. *Sat 5.00 & 8.15.* Wed mat 2.30

GIELGUD 0171 494 5040
SHOPPING AND F**ING
by Mark Ravenhill
"A remarkable play" Time Out
Eves 8pm. Mats Thur 3pm. Sats 5pm
Opens Edinburgh Festival 9 Aug

HAYMARKET 930 8800 (no bkg fee) 344 4444/420 0000 (with bkg fee) Eves 8. Mats Thur 3 & Sat 5
Royal Exchange Theatre Co. OSCAR WILDE'S *CLASSIC COMEDY*
LADY WINDERMERE'S FAN
"IRRESISTIBLY GLAMOROUS"
"DON'T MISS IT" Obs
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THE PHANTOM OF THE OPERA
Directed by HAROLD PRINCE
NOW BKG TO DEC 97
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OLIVER!
3RD IRREPRESSIBLE YEAR
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JESUS CHRIST SUPERSTAR
"Sends shivers racing down the spine" D Telegraph
Eves 7.45. Mats Wed & Sat 3
(no bkg fee for personal callers at the Lyceum box office 10am-3pm)
£15 tickets for students avail Mon-Thu are bookable in advance
Now booking to March 1998
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SIAN PHILLIPS
simply brilliant as ***PAM GEMS'***
MARLENE
Directed by **SEAN MATHIAS**

NATIONAL THEATRE BO 0171 928 2252. Grps 0171 620 0741, 24hr cc bkg fee 0171 420 0000. **OLIVIER** Tonight (PREVIEW), Tomor 7.15 **GUYS AND DOLLS** based on a story and characters of Damon Runyon, music and lyrics by Frank Loesser, book by Jo Swerling and Abe Burrows. **LYTTELTON** Tonight, Tomor 7.30 **AMY'S VIEW** a new play by David Hare **Tonight 6.00: PLATFORM: ANTHONY MINGHELLA COTTESLOE** Tonight, Tomor 7.30 **CLOSER** a new play by Patrick Marber

OPEN AIR THEATRE, Regent's Park 486 2431/1933cc 344 4444 (24hrs) (bkg fee) ***A Midsummer Night's Dream*** Eves 8pm. Mats Today & Sat 2.30

OLD VIC 0171 928 7616 24hrs 420 0000 (no bkg fee)
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July 9 at 7.30pm & **cons in rep**
THE PROVOK'D WIFE
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Tonight & Tomor at 7.30pm. Sat mat 2.30pm. July 10 mat 2.30pm & **cons in rep**
GRACE NOTE
by Samuel Adamson
Sun at 8pm. Mon at 7.30pm & **cons in rep**
WASTE
by Harley Granville Barker
Sat at 7.30pm, July 12 at 7.30pm & **cons in rep**
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by Anton Chekhov
English version by **Tom Stoppard**
Tue at 7.30pm. July 10 at 7.30pm & **cons in rep**
Tickets £10 - £18

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Eves 7.45 Mats Tue & Sat 3.00
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■ THEATRE 1

Kathleen Turner plays *Tallulah* in Chichester, but the portrait is barely more than skin deep



■ THEATRE 2

Neil Bartlett goes to hospital to offer a quirky lecture on Poussin's paintings

THE TIMES
ARTS



■ THEATRE 3

Odd goings-on on an ocean liner, as the 1920s sensation *Outward Bound* is revived



■ TOMORROW

Saxophonist Ornette Coleman reveals why he has a new partner on his explorations of free jazz

THEATRE: Bad days of the good time had by all; a ghostly ship sails again; fine Americana; spirituality old and new

Turner struts down sunset boulevard

MARILYN KINGWILL



"One good actress inhabiting the viscera of another": Kathleen Turner gets to the nitty-gritty of Tallulah Bankhead in Sandra Ryan Heyward's play

Tallulah
Minerva, Chichester

When Tallulah Bankhead played Cleopatra, John Mason Brown declared that "she barged down the Nile and sank". When she took a genteel role in Henry James's *Europeans*, another critic wrote that "only Mae West as Snow White could have seemed more unsuited to a part".

In the one-woman play she has written for Kathleen Turner, Sandra Ryan Heyward cites the first of those put-downs, but not the second. It is to her credit that she does not let the evening become a stream of anecdotes and funny one-liners, for Bankhead was the source of more of both than any American actress who has yet lived.

What does she offer instead? A reminder, often enjoyable and sometimes more, that solo biography is a tricky dramatic genre. Together, Heyward and Turner try to provide background, report the odd key event, evoke their subject's character, assess her acting and offer some homespun psychoanalysis. All this while pretending that Bankhead is throwing a party in support of President-to-be Truman that, by some weird quirk of time, is also occurring after she played Blanche in *A Streetcar Named Desire*, which was deep in the Eisenhower era.

It is all rather a jumble, and it has an odd effect on Turner. She handles the play's difficult bits better than the easy ones. In the first half, she seemed to be displaying a tension rather different from the sort you might expect from an over-the-hill Bankhead about to face a lot of smart guests. Her diction was sometimes scrambled, the timing of her sharper lines slightly off. But in the second, when Bankhead exposes more sottishness, insecurity and self-hatred, Turner is painfully effective.

Either way, the portrait that emerges is of a wayward Southern belle, spoilt by her famous father yet unsure of his love and consequently desperate for applause. Hence her exhibitionism, which varied from doing cartwheels in the Algonquin foyer with no knickers on, to flaunting her erotic adventures ("sex is simply the business of the three people involved"). Hence her half-conscious decision, not of course uncommon in the profession, to become a great star rather than a fine actress.

Actually, she was a stronger actress than legend claims. The reviews of her go-getting Regina in Lilian Hellman's *Little Foxes* — "cold, calculating and calmly cruel, her wrath a rumble of thunder with flashes of lightning" — surely suggests that. But Heyward skims very cursorily over all this. One-person life-stories seldom go deep.

"You've been in a relationship like that," remarked Turner's Bankhead after describing her affair with the reckless bisexual "Naps" Aldington. "Hell, isn't it?"; and there was a sage nod from the bespectacled chap in the front row she was addressing. The pretence that the Chichester audience are her guests comes across as facetious.

But despite that, and despite the fact that Turner looks more like a glamorous blonde Amazon than her subject ever did, Michael Rudman's production has its true, touching moments. When this Talullah talks of her contempt for her own follies, or, after a spectacularly drunken episode, of a shame "so thick and black I could taste it", I felt one good actress was inhabiting the viscera of another.

BENEDICT NIGHTINGALE

Lowlifes of the highest quality

Daddy Come Home
BAC, SW11

I have seen some memorable plot twists and some twisted plots, but few that compare to the second half of Noli's latest "Americana" play. He may be economical with his name, but the writer-director who had a small hit with *Blue Eyes Red* on the fringe two years ago is never less than generous with unsavoury truths.

Here, in a small American backwater, he laboriously sets up a doomed relationship between Beth, a woman past her prime, and David, her 23-year-old infatuated boyfriend. We see them plodding rather unconvincingly between the bedroom, the fridge and the sofa like teenage lovers, until Beth's unpleasant former husband Bill, a former convict, arrives like a bad dream.

Not only does this paunchy, middle-aged redneck seem incapable of leaving, he starts unwrapping and parading Beth's less than exotic past like so much dirty laundry. Smalltalk along the lines of "Who's the toyboy?" create predictable flashpoints with Daniel O'Meara's increasingly surly David.

After a few more visits to the fridge, the play starts lurching like a drunk, not from the beer consumed but because of Bill's increasingly heady revelations. The fact that it does not lurch into farce is a tribute to Chas Bryer's paunchy, grizzled Bill, who delivers his punchlines with minimal fuss and maximum impact. With a leer never far from his lumpy face, he uses his moments of emotional blackmail to worm his way through Beth's stiff-lipped defences.

In a play as manipulative as this it is probably a nonsense to talk about unbalanced performances. But yes, O'Meara's rather luckless role as David, the mechanic with the 2CV brain, would certainly benefit from a 40ft screen. Here he gets steamrollered by Bryer's charismatically ugly Bill, while Jean Stanley steals the rest of the stage as the hard-bitten, soft-centred Beth.

There are several passages of writing that mark out Noli as someone who can turn a cheap dramatic thrill into something morally sticky and desperate. That these moments are as unexpected as chunks of reality in a spaghetti western does not mean that they are any less welcome.

Like Tracy Letts, who wrote the trailer park chiller, *Killer Joe*, Noli finds rich pickings in American white trash culture. His work is not as stylish or as mordantly funny as Letts's yet, but it's not far beyond him.

JAMES CHRISTOPHER

Dead in the water? Yes and no

Outward Bound
Palace, Watford

Here is a play that so caught the public fancy back in 1923 that it became something of a repertory standard between the wars. "Obviously, it is the duty of every serious playgoer to see this play," wrote the man in *The Sunday Times*. But over the past four or five decades I don't suppose many of us playgoers, whether serious, casual or unashamedly flippant, have even been offered the chance to see Sutton Vane's "strange, queer, original, fantastic" piece of dramatic mystery and comfort.

An assortment of passengers find themselves on board an ocean liner. They do not remember exactly how they arrived; their attention wanders when asked where they are bound. In the Smoke Room (quaint period touch) class distinctions generate the conversation for quite some while as unpleasant characters such as Mrs Cliveden-Banks — who is "very particular about her hyphen" — display the range of their unpleasantness.

Everyone behaves scrupulously according to type: the young wastrel drinks, the parson dithers, the businessman hectors and although Mrs Midget's shabby clothes may come from the Lambeth Road her heart is gold.

What sort of ship is this where Scrubby, the attentive steward, is the only crew member ever to be seen? And why do the pair of droopy young lovers keep mentioning the smell of gas? Inevitably, the first act denoument cannot be the sensation it apparently was in its time, for we have since become familiar with the "assortment of passengers" genre. Even the notion that Heaven and Hell are one and the same place is no longer particularly new, though Vane may have been the first to tell us so.

My old agent learnt his craft from the woman who had Vane as a client, and during its first triumphant run an Italian composer wrote asking if he could base an opera on the play. She indignantly refused; this masterpiece was not to be set to music by "some Italian organ-grinder!". So he wrote *Turandot* instead.

To be brutally honest, a librettist's hand would greatly improve Vane's play, striking out the repetitions and irrelevance that clog the movement of the first two acts. Once the ship has docked at the end of its voyage, and the clouds visible through the portholes have turned a rosy pink, there are passages that become undeniably touching. When Simon Coury's parson recites a childhood prayer the play could tumble into an abyss of sentimentality, but the sincerity of his bearing prevents this.

There is nothing special about the acting (although I did see the play at its last preview at the Palace Theatre in Watford), or about Giles Croft's direction either: one of the downstage corners is poorly lit, and the young lovers are often cruelly exposed with nothing to do but hug and keep silent. But *Outward Bound* is strange, queer in the old sense of eerie, original and certainly fantastic, and that is almost enough. In the absence of arias.

JEREMY KINGSTON

By some miracle, it works

Mystery Plays
Chester Cathedral Green

Like some venerable comet, the cycle of Chester Mystery Plays now comes around every five years, *James Christopher writes*. That it manages to come around at all is something of a miracle. It is a tribute really to an astonishing act of faith and a particularly stubborn breed of northerners who have been replaying the Bible's greatest hits since Middle Ages monks wanted to be the Rudolph Valentinos of their day.

These plays on carts, however, never truly came into their own until the local guildsmen started performing their own fantastically hackneyed episodes to the irreverent delight of a largely bevvied city. For seasoned collectors of medieval cycles it is always a joy to discover how little has changed. For the rest of us it is utterly bemusing how Chester manages to put together such a hopelessly unprofessional revival of Britain's most enduring piece of theatre.

Inevitably there are innovations which will depress the purists. The artistic director, George Roman, has corralled the whole shebang into a giant tent on Cathedral Green; the 19 stories from the Creation and Fall to the Judgment are split into three parts spread over three nights; and the guilds of Skinners, Tanners, Daubers and Thatchers have been usurped by armies of schoolchildren, worthy community groups and scratch theatre companies. Carnal knowledge, like acting talent, is out of the question. To think that an eight-year-old Adam and Eve might be doing anything other than scrumping apples in Eden is not an issue. Other efforts to update it are, on the whole, so comically anachronistic they almost work.

In Cain and Abel, a procession of cars and jeeps drives through the tent, characters wear suits and carry mobile phones, and Rob Pomeroy's Cain murders Abel because the EU has lifted the ban on British beef. But there are ancient compensations. Chris Lonsdale's Lucifer is a familiar yob, and God, confined to a loudspeaker, is, as ever in the Scriptures, an interfering egomaniac.

On the negative side there is barely an actor in Part I who can make the wiry, rough poetry sing. The adult leads all wear glasses and act like geography teachers, which engenders a puritanical lack of bawdiness. The notable exceptions are Janice Webb, who plays Mrs Noah with scarlet exuberance, and Mike Evans, who plays Herod like Richard III. Despite Evans's efforts, The Magi and Innocence is like watching paint dry. The rest of his cast managed to massacre the verse long before they got round to massacring the children.

The real charm is the native wit and homemade props that go into orchestrating such an epic endeavour. It is no better demonstrated than in Noah's Flood, where the spirit and sheer size of the commitment actually bring a tear to the eye. There is nothing like a healthy dose of organisational and technical chaos to dull the critical faculties.

Painted genesis to revelations

The Seven Sacraments of Nicolas Poussin
Royal London Hospital, E1

The venue is the first oddity, *Jeremy Kingston writes*. To find oneself in a theatre, that is, when not being wheeled in there on a trolley to meet a man with a knife. But a teaching hospital is also a place for instruction, and Neil Bartlett has chosen the 200-seat Bearsted Lecture Theatre as the appropriate venue for his latest solo piece, part lecture, part empathetic exploration, focusing on the suite of seven paintings now in the National Gallery of Scotland.

I have to admit to paying scant attention to these compositions on my trips to Edinburgh, but Bartlett has meditated upon them over many years, looking for a way to connect Poussin's treatment of the subject-matter to his own experience. The result is a thoughtful, thought-provoking personal statement, where a compare and contrast job on the 17th and the 20th centuries follows a curving route between aesthetics and autobiography.

When the lecture theatre is in normal use there is probably not a line of crimson curtains across the blackboards, nor a wide screen above them, but when Bartlett enters, in white coat and at full speed, as one who has just completed his evening round, the audience can feel that for the next 80 minutes they are students: in this case, students of a sort of life.

The journey begins with Baptism and ends at Extreme Unction, that is to say, Death, for, as Bartlett points out, we may be the last generation for whom religious references can be uttered without footnotes. Between these terminal points the other five are reached in an order puzzling to a former Catholic, for whom Penance had to come before Confirmation, but the arrangement may be governed by a feeling for artistic rhythm, allowing the emotionally more detached sections to alternate with the confessional.

Each is also approached differently, at one time parodying the lecture-hall approach and spelling out the difficult names, at another going straight into identification with the figures in the composition. At his boldest the thoughts of Mary Magdalene washing the feet of Jesus become the thoughts of a contemporary man involved in humiliating coition, where sex and forgiveness meld together. I found myself shifting uneasily here.

Only one of the paintings is ever shown in its entirety, and then it is projected upon the screen, and Bartlett's collaborator, the artist Robin Whitmore, draws a succession of hands on the blackboards. These sequences coincide with what Bartlett is saying at the time and powerfully reinforce it. Lines seemingly drawn at random almost magically connect to form a palm pouring water, hands at prayer, hands with or without a wedding ring. Nothing is drawn for the final sacrament, but Bartlett himself becomes the modern equivalent of its central figure, resting his own hand on a bed from which life has at last departed.

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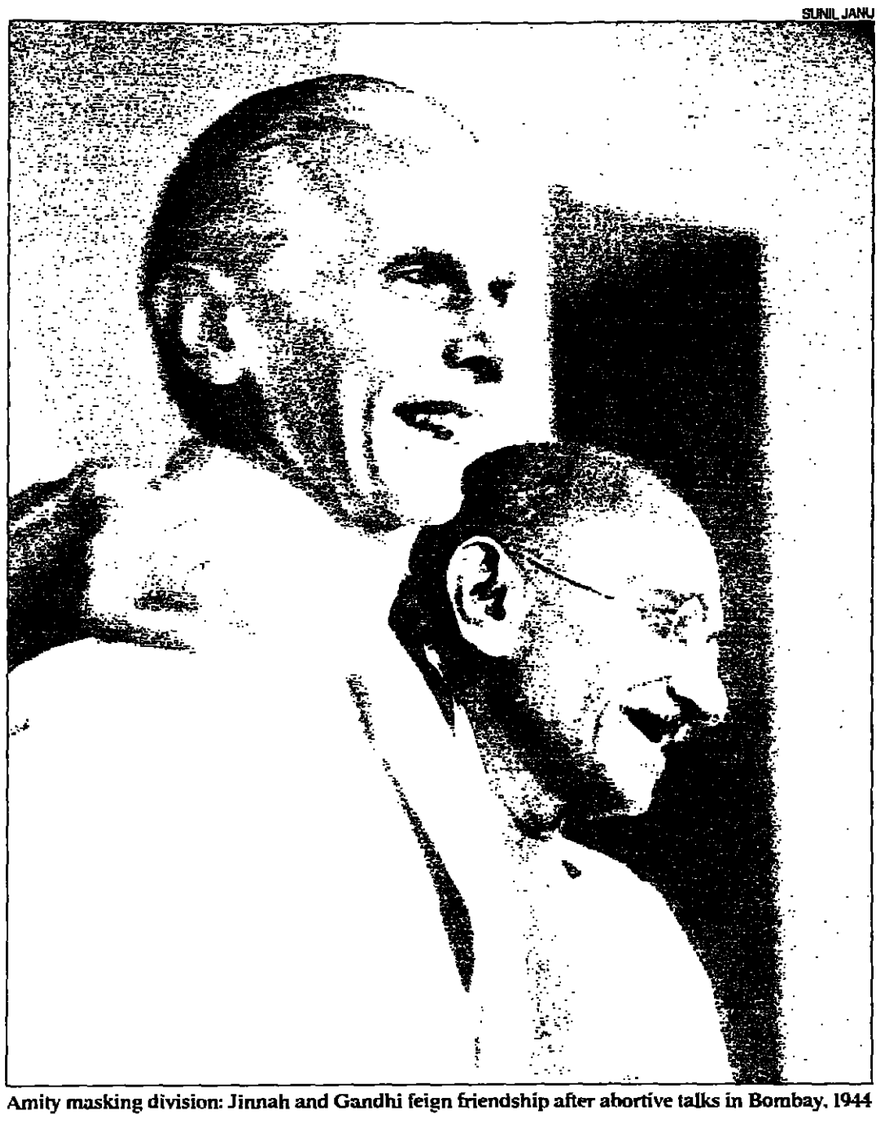
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CHANGING TIMES

Becoming the jewel in her own crown

Lawrence James celebrates the Indian passion for politics

SUNIL JANU



Amity masking division: Jinnah and Gandhi feign friendship after abortive talks in Bombay, 1944

British India ended 50 years ago. Now, like James Froude's Middle Ages, it has become a "faded pageant", far distant and glimpsed through photographs of Simla tennis parties and confident sahibs posing before the corpses of freshly-shot tigers. Or, there is the newsreel footage which opens each episode of *The Jewel in the Crown*. The King Emperor, George V, sits in an elaborate howdah on the back of a caparisoned elephant which carries him to a pavilion where he will receive the homage of rajas dressed in their gala finery. All around swarm plumed officials and turbanned soldiers.

The theatre of imperial power was awesome but deceptive. The Raj was always precarious. As one Victorian governor-general observed: "If each black man took up a handful of sand and by united effort cast it upon the white-faced intruders, we should be buried alive." Only with the passive acquiescence of the Indian masses and the active co-operation of hundreds of thousands of soldiers, clerks, policemen and village functionaries could the outnumbered British survive as rulers bent on the moral and physical regeneration of India. Behind the façade lay a scaffolding constructed from compromises. Over a third of India was governed by princes who had thrown in their lot with the conquerors.

Echoes of the spirit of quietism and collaboration can be found in Patrick French's fascinating, well-written and richly detailed survey of the Raj's dissolution. At Amritsar he discovered an old Indian lady who had been a child when Rex Dyer's soldiers shot down several hundred demonstrators in 1919. Her father, a professional man, had told her that those who died deserved to, simply because the general had banned all public meetings. But he had, at a stroke, severely bruised the moral reputation of the Raj and reinforced Gandhi's claim that, in essence, it was an ungodly imposition on the Indian people.

Like the British, Gandhi had a recipe for the salvation of India. They wanted to modernise, while he believed that all would be well once they had departed and his countrymen stayed in their villages, bartered, spun cloth, looked for the truth within themselves and had regular bowel movements. French's politely irreverent treatment of the Mahatma is a welcome step in the right direction of a thorough, unemotional reappraisal of a man whose saintliness captivated the peasant masses and whose political cunning astonished successive Viceroys. His greatest contribution to India's emancipation lay in his ability to step up the momentum of constitutional change and compel the British to recognise that the Indian National Congress was a power to be reckoned with, greater even than that of their old allies the princes.

Concessions came slowly and Congress's appetite increased to the point where it would only be satisfied with complete independence. Pressure was exerted through mass protest campaigns which, despite Gandhi's pleas for non-violence, always turned nasty. But the Raj had enough informers, policemen, and soldiers to hold the lid down. Gandhi temporarily discountenanced the British, but he failed to make India ungovernable. Once it was clear that the Raj would be terminated, Indian collaborators began to make terms with the professional politicians who were destined to be their new masters.

Civil servants led the way in what became a scramble for power, although Clement Attlee, who gave the orders in 1947, naively hoped that the Raj would end with a dignified transfer of authority to governments which would remain stalwart friends of Britain. French rightly rates the man-on-the-spot, Mountbatten, as a "bit part actor", a powerbroker with no power to dispense, which explains why he repeatedly deferred to those who possessed it. Whereas his predecessors had been driven by high principles, Mountbatten followed the chicanes of expediency. French tries hard to be fair, but the last Viceroy's record speaks for itself: the shameful treatment of the princes, his open hostility to the Muslims, the tampering with the Indo-Pakistani boundary and the failure to take adequate measures to forestall the Punjab massacres. Mountbatten saw things differently and spent the rest of his life puffing himself as a Solomonic ruler who achieved the impossible, a view not shared by his more reticent colleagues, Auchinleck and Ismay.

Much water has flowed under the bridge since the slaughter that marked the birth of India and Pakistan and, to judge from French's conversations with the survivors and their descendants, bitterness has vanished. The new state of India soon had other preoccupations which are the subject of Professor Khilnani's perceptive and stimulating study. It is part of the history of India's first 50 years of independence and part a quest for a definition of what is to be Indian.

He is at his most interesting when he traces the fortunes of democracy in India. It was a Western import, set down in a nation where the codes of caste obviated against equality. Democracy has flourished, the author argues, because Indians have a passion for politics, and the brief period of Mrs Gandhi's personal rule gave them sharp notice of what the alternative might be. The resilience of Indian democracy marks the country out from its Asian neighbours.

A common faith in democracy must be considered an ingredient of that Indianness which Professor Khalnani often finds hard to pin down. The founding fathers of Congress had dreamt of a sense of nationality which transcended religion, caste and regional patriotism. But Muslim apprehension of a Hindu Raj succeding the British shattered this vision and with it the geographical unity which the British had imposed. Today the drift is towards smaller partitions as the secular, tightly-knit state which the Nehru dynasty did so much to foster is being challenged. Political parties which are unashamedly Hindu in their appeal and the persistence of local particularism are opening up old fault lines. But the outlook remains favourable, just because Indians have such a strong attachment to democratic values.

There are also what Professor Khalnani calls "human skills": the talents of Indians, which have somehow perpetuated the balancing act that has held together a nation of such great diversity. Pragmatic good sense prevails over ideology, which is why Sikh separatists and Hindu nationalists can manage to work in tandem to govern Punjab. Like the Raj, contemporary India rests on a foundation of compacts and bargains. There are few better ways to run a nation.

Lawrence James's The Rise and Fall of the British Empire *is published by Abacus, priced £9.99.*

LIBERTY OR DEATH
India's Journey to Freedom and Division
Patrick French
HarperCollins, £20
ISBN 0 00 255771 1

THE IDEA OF INDIA
By Sunil Khilnani
Hamish Hamilton, £17.99
ISBN 0 241 13573 7

Roger Boyes on one man's brush with the Stasi spies

Trove of secrets and lies

MARKUS WOLF, retired communist spymaster, is on a tour of Germany promoting his memoirs. In a panel discussion the other day somebody asked him: "In which part of German society did you *not* have agents?" Wolf gave one of his unreliable smiles, took the comment as compliment and said nothing.

Tim Garton Ash, one of the shrewdest contemporary observers of Germany and Central Europe, lived in East Berlin between January and October 1980. He was spied upon, has since been to see his Stasi secret police file and can answer some of the questions left open by the likes of Wolf. *The File* actually does much more than that: it is a scintillating, extended essay on the nature of memory. During his stay Germany and Europe were edging closer to disintegration, from one age to another; Garton Ash, undecided about the course of his life (historian, writer, journalist, spy?) was groping towards a decision. He came to Berlin as a bright postgraduate and left as a man with a powerful intellectual and emotional commitment.

Looking through his 325-page police file, he tries to reconstruct that period, comparing the Stasi's notes with his own diary entries. In truth there is not much meat in the Stasi sandwich. The reason is simple: the Stasi was fishing to see if Garton Ash was a British spy. He was not (though he toyed with an offer) and no amount of East German truffling could make a convincing case.

The book gains substance with his musings about life in an authoritarian system, its ethical boundaries. "What is it that makes one person a resistance fighter and another the faithful servant of a dictatorship? This man Stauffenberg, that a Speer."

Tracking down the people who informed on him and their Stasi controllers, Garton Ash nibbles around this question. The informers reported on him for a range of motives: a British communist, brilliantly brought to life, seems to have shopped the author out of obscure vanity; others included a poisonous cultural apparatchik who traded travel privileges for her small betrayals; others were old communists, true believers or simply unable to learn new tricks. Some were blackmailed into collaboration but no one needed to be pushed very hard. His university supervisor appears to be an informer — but when Garton Ash probes harder, he finds the supervisor to be innocent, a victim of sloppy file writing.

The File is about the limitations of files. For German readers it will be a useful corrective. They believe all too readily leakages from the two kilometres of files stored by the so-called Gauck authority in Berlin. There were, of course, huge numbers of Stasi informers but they remained a small minority: the number of people who withdrew into their shells, who tried to keep their distance from the secret police, was far higher. Stasi history is not the history of East Germany, nor are Stasi files a substitute for the real, complex biographies of the people who lived in that defunct state. The least satisfactory part of the book is Garton Ash's doorstepping of the Stasi officers who supervised his file. They have nothing left to say.

There may be an argument for winding down the Stasi archives, for concluding, with Ernest Renan, that a united nation bonds as much from the shared forgetting of divisions as from the manipulation of common symbols. But I agree with Garton Ash's judgment that Germany is best served by keeping the files open. There will never be any easy bridges between East and West Germans. This psychological gulf will not be narrowed by closing down Gauck and mothballing the files. It needs time, candour and healing.

Garton Ash's book resembles in some ways the personal memoirs, now in vogue, that chronicle a quest for a dead father. But ultimately there will always be a missing piece in Where-are-you-Dad books. And so it is with *The File*. Garton Ash acknowledges the problem and passes on: "I am a father now. In just a few years time, as the century ends, my own sons will set off on that perilous journey between childhood and maturity, each to their own personal Berlin."

THE FILE
By Timothy Garton Ash
HarperCollins, £12.99
ISBN 0 00 255823 8

No children of men

DAVID GIFFORD/ SCIENCE PHOTO LIBRARY

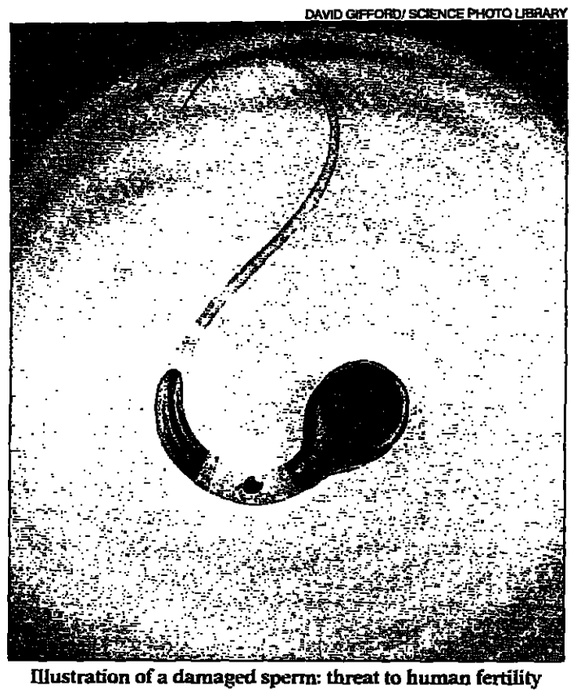


Illustration of a damaged sperm: threat to human fertility

This is not, as the title may suggest, a feminist tract, but a very significant book on the role of chemicals in possibly reducing our ability to reproduce. Cadbury tells a fascinating story of the science which has provided evidence that a wide variety of man-made chemicals are accumulating in our bodies with potentially serious effects on the incidence of cancer and the reduction of the fertility of males. It is a story based on extensive interviews with the scientists involved, and it provides an excellent picture of the scientific investigation of this complex problem which could affect us all.

The class of chemicals in the environment which could be dangerous for normal sexual development are those that can mimic the effect of the female hormone, oestrogen. These include the pesticide DDT and chemicals that are used to make plastics. They can be active at frighteningly low concentrations, but the real danger lies in the fact that they may not be destroyed by the body and so persist and accumulate. They could, in principle, both promote or repress the normal actions of oestrogens. "In principle" is important — it is very difficult to establish not only their effect but whether there is an effect at all. So while they could be the cause of the falling sperm counts in males — there are claims that it has fallen by almost half over the past 25 years — the statistics are complex and the results not universally accepted. But the evidence is persuasive.

Something very worrying is also occurring with the sexual identity of animals in the wild. Alligators in the Florida swamps seem to be changing sex. And one of Cadbury's heroes, Theo Colborn, working in the Great Lakes of the United States, found reproductive abnormalities in wildlife ranging from minks to birds. But because the evidence is not conclusive with respect to the causes, the question of what to do remains difficult. To suggest banning all potentially dangerous chemicals is naive. The cost to society would be enormous, as they are so widely used for so many products. As one of the leading scientists puts it: "To get rid of them would actually introduce a revolution, the like of which we have not seen before, in our way of living."

Her book raises issues that should make the anxieties that have been raised over the cloning of Dolly the sheep look less important than a mosquito bite. And one should ponder why all those biomoralists have taken so little interest. Could it be that, like the more than 3,000 deaths a year from motor cars, the issues are real, complex and uncomfortable and do not lend themselves to self-righteous pronouncements?

Lewis Wolpert

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Beyer: recording evil

The soundtrack to a holocaust

Ian Brunskill

THE KARNAU TAPES
By Marcel Beyer
Secker & Warburg, £9.99
ISBN 0 436 20382 0

For more than half a century now, Germany's Nazi past has been the dark, inexhaustible wellspring of the country's fiction. Marcel Beyer's virtuoso new novel — his first book to be published in English and the work of a writer born 20 years after the Third Reich ended — can rank among the most vivid and unsettling responses to the subject.

Mixing history with provocative invention, Beyer views Nazi Germany through the eyes of Hermann Karnau. Or rather, he listens to it with Karnau's ears. For Karnau is a sound engineer of extraordinary skill and dedication. In the stadiums and rallying grounds of the Third Reich he amplifies the message of the chief of propaganda, manipulating the great manipulator's voice so that its lies are heard to best advantage. In occupied Alsace he plays his part in "linguistic culling", silencing any sound that is not German. Sent to the Eastern front, he crawls within earshot of death, listening for the whisper of enemy wireless through the thunder of the guns. Licensed to pursue his acoustic obsessions in the lethal laboratories of Nazi "science", he inflicts unspeakable torments in an effort to understand speech.

Karnau's work is his life. In every spare moment, on fragile wax discs and purloined roles of magnetic tape, he records Germany's descent into evil and ultimate defeat. No voice is without significance, no sound too small to figure on the soundtrack of his country's self-destruction. He captures the murmur of stifled dissent, the propagandist's rant, the bullying shout of command, the roar of popular approval, the rattle of parched tongues, the whimpering of children, the screams of the wounded, the laboured breathing of the crippled, the sneezes and wheezes and coughs of the sick, the snores of elderly sleepers, the silence of deaf mutes, the last gasps of the dying, the rasp of throats constricted in fear.

Karnau's own voice — fastidious, plausible and quietly demented — alternates with that of Helga, the teenage eldest daughter of the (nameless but identifiable) Nazi propaganda chief. Hers is a more innocent, but no more reliable, narration. "Herr Karnau's the only grown-up here who isn't crazy," Helga thinks, once her family's formerly privileged world has shrunk to the claustrophobic confines of a dank underground bunker in Berlin, where Karnau has been called to record a lost leader's final ravings. And by then it hardly matters whether she is right.

Favourite of divine providence

Andrew Roberts

LORD MELBOURNE
By L. G. Mitchell
OUP, £25
ISBN 0 19 820642 9

"IF THE EXISTENCE of national distress is looked on as a reason for organic change in the constitution or in the individuals who comprise the Government," wrote Lord Melbourne about Corn Laws agitation in February 1842, "there is an end to all stability in public affairs."

The reason Melbourne lasted so long in the upper echelons of government was that although by birth, breeding and conviction he was an archetypal Whig, he made such consistently Tory noises that he retained the confidence of Parliament and country far longer than any genuine radical could have. His desire to avoid rows has led some reviewers of this book to compare him to John Major, but in his ruthless confiscation of the Tories' clothes he is, in fact, far more a prototype for Tony Blair.

"I consider that England has been in the special protection of divine providence at certain periods of her history," he once told an embarrassed Cabinet, going on to cite the Spanish Armada and the abortive 1798 French invasion of Ireland as instances. "The whole duty of government," he also explained in a thoroughly libertarian mood, "is to prevent crime and to preserve contracts." Talk of this kind led Tories to trust Melbourne in a way they never could Charles James Fox or Lord John Russell.

Once he had grown out of his Eton and Cambridge infatuation with Bonaparte, Melbourne became a strong patriot during the Napoleonic Wars. His attitude towards Prince Albert's short-sighted attempt to set up the monarchy as a national role model for family life was forthright: "This damned morality will ruin everything," he stated, presumably referring to the monarchy's future rather than his own messy and licentious private life, which featured a fascination for pornography and flagellation.

When Queen Victoria suggested that Albert be made King Consort he retorted: "For God's sake, ma'am, let's have no more of it. If you get the English people into the way of making Kings, you will get them into the way of unmaking them." Not all his remarks were so wise; on Wordsworth's *Excursion*, which he had not read, he claimed: "It is amazing when you leave a book upon the table, how much you know what is in it without reading it".

As he attempts to reform the political honours system, Tony Blair might enjoy two of Melbourne's most cynical jokes on the subject. "Give him the Thistle!" he once exclaimed about the honouring of one particularly uncouth Scottish peer. "Why, he'd eat it!" When someone suggested Melbourne take the blue riband of the Order of the Garter himself he was nonplussed. "It may attract to us somebody of consequence which nothing else can reach. But what is the good of my taking it? I cannot bribe myself."

With Lord David Cecil's sublime 1939 portrait primarily a work of literature rather than political analysis, and Philip Ziegler's superb 1976 life now out of print, this thorough and well-researched life will easily do for the next two decades.

John Grigg analyses how the relationship between two men determined the course of the Second World War

Victory after terrible risk


HULTON GETTY

A partnership that was vital: Roosevelt and Churchill

A vast literature has already been devoted to Anglo-American relations during the Second World War, and in particular the relationship between Franklin D. Roosevelt and Winston Churchill. The latest offering, from Professor Warren Kimball, covers extremely familiar ground, but it has the special interest of being the work of an expert on FDR as war leader (Kimball has written a separate book on the subject, as well as editing the Churchill-Roosevelt correspondence), and one who at least tries to give a balanced account of the President's actions and motives.

Kimball has a clear answer alike for admirers of FDR who believe that he did all that he could to bring his country into the struggle for freedom, as a full participant, and for critics who accuse him of plotting to undermine America's sound policy of neutrality. "What he wanted," the author writes, "was to gain victory and global political influence without paying the price. He had followed that course since 1939, and there is every indication he would have continued that ambivalence until events overtook the policy."

The events occurred in December 1941, and Kimball is realistic about them — up to a point. He admits that Pearl Harbor did not, in itself, bring the United States into the European war, and might well not have done so but for Hitler's obliging declaration of war four days later. But he suggests that this followed automatically from the Tripartite Pact of September 1940 — "a serious miscalculation" by Hitler — which bound Germany and Italy to enter the war on Japan's side. In fact, however, it bound them to do so only if Japan was attacked. Hitler would have been acting within the letter, if not the spirit, of the Pact had he chosen to make a lofty, American-style declaration of neutrality in relation to the Far East, so presenting FDR with the surely impossible task of securing a declaration of war on Germany (and Italy) from the United States Senate, at a time when Americans were overwhelmingly concerned with the threat from the Pacific.

FORGED IN WAR
Churchill, Roosevelt and the Second World War
By Warren Kimball
HarperCollins, £25
ISBN 0 00 215452 X

Of course it can be argued that Japan was forced into war, and so was, technically, the victim of aggression. FDR's embargo on high-octane petroleum, following Japan's occupation of southern French Indo-China two months or so before Pearl Harbor, "guaranteed war unless the militarists in Tokyo were willing to back off." But those militarists did not have to make a direct attack on the United States in order to break the oil embargo. They could have obtained oil by occupying the Dutch East Indies, an outpost of European colonialism. Would the Senate have sanctioned a declaration of war on Japan in such an event?

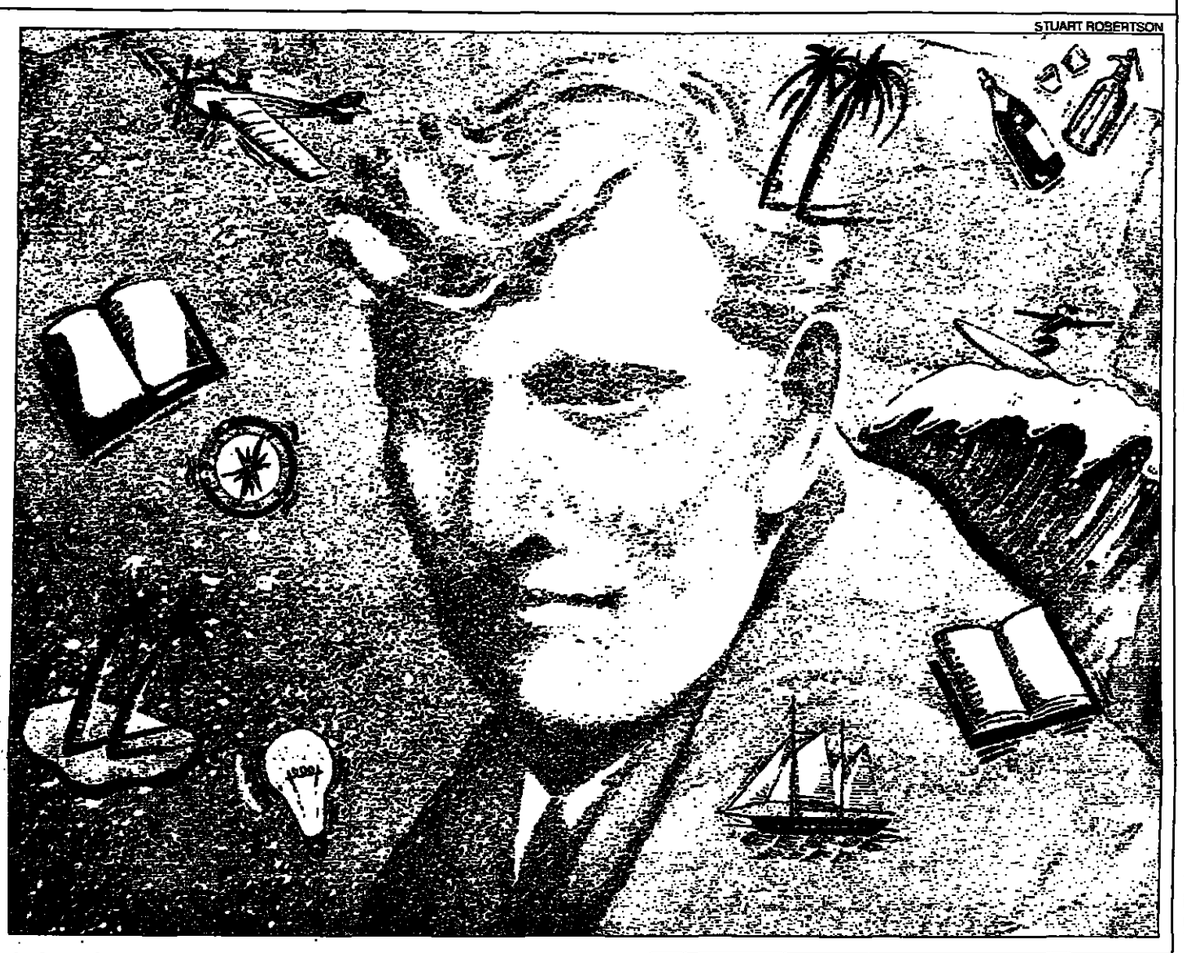
Since FDR wisely perceived Hitler as the greater threat to America, and had therefore bent American neutrality — without abandoning it — for the purpose of supporting those who were fighting Hitler, it is very strange indeed that he should have gratuitously provoked the Japanese, as he unquestionably did, and even stranger that Churchill should have encouraged him in doing so. The consequences of this policy could easily have been disastrous for the United States, and literally fatal for Britain.

The actual outcome — that America was attacked by Japan, and then subjected to a declaration of war by the European Axis powers — was in no way predictable, but utterly providential. The war became a world war, with America comprehensively involved, and FDR was free to pursue his policy of beating Hitler first. Kimball does not consider all that might have happened in December 1941 had our enemies acted differently. FDR, with Churchill's backing, took appalling and quite unnecessary risks in the Far East. Fortunately for him — and for all of us — his folly was far surpassed by that of the Japanese leaders, and then by Hitler's.

Kimball treats FDR and Churchill as men of roughly equivalent stature, even saying that they were both "masters of the English language". One might suggest that Churchill, for all his flaws, was by far the greater man, but that he had to contend with the fact that FDR was presiding over by far the more powerful country.

Doomed by the call of the wild

Malcolm Bradbury on a writer whose adventures have overshadowed his work


STUART ROBERTSON

Literary travellers to the old Soviet Union and Eastern Europe were often startled to be told by their hosts that — in the century of Hemingway, Faulkner, Stein, Fitzgerald, Dos Passos — the greatest modern American novelist was, naturally, Jack London. Mostly remembered in the West for his adventurous tales of the Yukon, the South Seas and the wild, and for a prodigiously productive writing career partly supported by buying in plots from other writers, Jack London had long since slipped down the pecking order of American literature.

In his day (1876-1916), London achieved a formidable reputation, as much for his impassioned socialism as for his novels and stories. Like H. G. Wells in Britain, he was a writer for his times: that daring, adventurous, dangerous dawn of the 20th century, when revolutionary socialism and the application of science to social problems joined the conviction that the moden age was everyone's for the asking. Like Wells, he was an autodidact, a self-taught hero who preached from books (Darwin, Nietzsche, Marx, Herbert Spencer) and with his own flamboyant life adventure. Like Wells, he offered global solutions, while operating as a free-thinking individualist, a very entrepreneurial capitalist of writing. In the end he made over a million dollars from writing, and published over 50 books, from 1900, when he started effective publishing, to 1916, when he committed suicide.

It's an odd irony of American literature that two bold figures who pointed it in opposite directions were born within two years of each other and grew up in Oakland, California. For Gertrude Stein, Oakland was "food and books, books and food", a place where she learnt to be "everlasting". She went on from there to Harvard, pragmatism, to the Paris of Modernism. For the illegitimate young London, it was the canning factory, waterfront bars, oyster piracy, the Barbary Coast.

He journeyed to Japan as deckhand on a sealer, then joined the march of the unemployed on Washington during the Depression of the 1890s — an education in police brutality, immigrant misery, prison, the life of what he always called "the abyss". Soon he was heading off to the Klondike gold rush, a literary-political mixture of revolutionary socialism and personal adventuring already in place. If Stein was the proto-Modernist, he was a radical Naturalist, the Muckraker as man of action. And the Klondike, where he hadn't made a single cent, now gave him what was to be his literary main lode.

JACK LONDON
A Life
By Alex Kershaw
HarperCollins, £20
ISBN 0 00 255585 9

As he quickly realised himself, London's life was always worth the telling, and it was as much adventure story as a literary matter. Many of his best books — *Martin Eden*, *John Barleycorn* — are a form of grand self-romancing, and many of the others gain their weight and strength from the brute experience of the author's life. His biography has been often written, from a variety of perspectives. Philip Foner emphasised the political rebel; Irving Stone saw its fictional potential.

Now Alex Kershaw, a British journalist who has re-researched the material, sees him as an inspirational figure, a real literary hero in an age short of heroes. Though the tale is mostly familiar, Kershaw tells the human — or, for London, "superhuman" story — well, admiring the man but not ignoring his many contradictions.

For, from his sudden emergence as a writer on the century's turn, London was a contradictory figure. His early success was as a writer of Yukon stories, a teller of tales of survival and the laws of nature. But a journalistic commission sent him by chance to live for seven weeks in the urban jungle of the East End of London; the result was the highly successful *The People of the Abyss* (1903). The author appears as impassioned socialist, observant reporter, and Nietzschean superman, stalking the jungle in disguise. It was promptly followed by *The Call of the Wild*, still his most famous book, the tale of the dog Buck, who becomes a primal killer, leader of the pack, the "dominant primordial beast". It was an adventure for strenuous, Rooseveltian times, reaching, like many deeply American novels, into the world beyond the constraining rules of civilisation.

This was the age of the writer-journalist (nearly every writer did a stint at one of the battlefronts) and Kershaw is good on London's enterprise, and his excesses, in the Russo-Japanese war. He confirmed his fame with *The Sea Wolf*, only to begin on a depression and a self-disillusionment that was to dog him thereafter. Socialism was on the rise in America; London now became its most famous, crowd-pulling spokesman, supporting not only meliorative reform but violent revolution (*The Iron Heel*). At the same time he was gradually withdrawing, to his mountain ranch and the call of the sea. Hence the voyage of the over-expensive *Snark* — his attempt to repeat the idyllic Pacific journeys of Herman Melville and Robert Louis Stevenson.

It was, in its way, the beginning of the end. Paradise was not paradisial, serious illness struck, Jack lost his "ineradicable smile". Like many man-of-action writers, not the least of them Hemingway, London was beginning to exhaust his resources. Kershaw carefully and persuasively traces the later phases of the fame and the decline: writing just a job, the rewards never matching the dreams: "world-sickness", pessimism, physical decay. Deeply ill with uraemia, he committed suicide at 40. Never the great writer he was thought in Russia, he was no negligible one either, and Kershaw's book, the lively story of a vitalistic life, should help us look at him again.

Poets score despite gloom

Michael Hofmann

THE MARBLE FLY
By Jamie McKendrick
OUP, £6.99
ISBN 0 19 283256 5

GOD'S GIFT TO WOMEN
By Don Paterson
Faber, £6.99
ISBN 0 571 17762 X

It's been an open secret that the best poetry written in these islands in the last 20 years or so has been by Irishmen. What is new, though, is that the better younger British poets — Jamie McKendrick and Don Paterson among them — have begun to learn from it. In both, I can hear the cool syntactical windings of Paul Muldoon, the Pied Piper of our day. Further, McKendrick has adopted some of the scatty concision of Tom Paulin and the tactile sonorities of Seamus Heaney. While in Don Paterson there are the clever glooms and charmed lightenings of Derek Mahon and Louis MacNeice: he has a poem about childhood (*Baldovan*) that bears comparison with MacNeice's great *Soap Suds*.

The Marble Fly, McKendrick's third collection, is consistently excellent. An appealingly dry and musical voice talks the reader through a debacle with a bicycle, the morning after a vintage car ("RIP Wolseley 1500, MOT/ failure cum laude"), a humbling encounter with an upscale hotel, hitching rides from long-distance psychopaths ("the HG man done for GBH") and a rash tangle with an ivy plant.

A lot of British poetry of the moment is like this, dwelling on the scruffy and inglorious, self-deprecatingly funny, snatching small defeat from the jaws of small defeat. It has, to coin a word, a "commiserabilist" tendency. Where McKendrick scores is in his expert salvaging of beauty from squalor, wit from adversity, delicacy from grossness. There is not a poem in the book that is not immediately attractive, well-turned and well-crafted. The connections between the poems — an occasionally overlooked part of book-making — are also noticeably well thought-out.

Don Paterson made his debut as a poet with *Nil Nil* in 1993. The title poem, about the infinite slide of a Scottish football team into abjection was both uproarious and virtuosic. "Thinning down to a point so refined/ not even the angels could dance on it", it established him as a navigator of negative space, a scholiast of nothing.

God's Gift to Women, his sardonically entitled second, is a much more up and down affair than McKendrick's, but it contains six or eight absolutely outstanding poems: the already mentioned *Baldovan*, *Prologue*, *Les Six*, *A Private Bottling* among them. They are worth the price of admission on their own. Some of the others I am still wrestling with: the long title-poem and a sequel to *The Alexandrian Library* look to me like glorious wrecks of follies.

Here, Paterson is zeroing in on his obsession with non-existence. A never-built cathedral is the site and subject for one poem: while the moving *Addenda* describes incidents from the life of a younger brother who was stillborn. Whiskey, trains, women and stars waltz through the book, ontologically challenged. There is a sense of unmentionable atrocities and guilts, banished — only just — offstage, often by a dismayingly bleak wit, or by unexpected gorgeousness in this savage Romantic: "O whiskies of Long Island and Provence!/ This little number catches at the throat/ but is all sweetness at the finish: My tongue trips/ first through burning brake-fluid, then nicotine,/ pastis, *Diorissimo* and wet grass . . ."

Sowing the seeds of his damnation

Lisa Jardine

MENDEL'S DWARF
By Simon Mawer
Doubleday, £15.99
ISBN 0 385 40897 8

THE INTERNATIONALLY acclaimed geneticist Dr Benedict Lambert has made it his life's work to identify the gene which causes the mutation achondroplasia — dwarfism. What makes this the more remarkable is that Lambert is himself a victim of this error in the genetic code for inheritance, a brilliant scientific mind trapped in a deformed and stunted body. Dr Lambert's own condition is every bit as exciting for his audiences at Imperial College as the content of his lectures: "There is standing room only. The aisles are packed. But don't imagine for one moment that they have come to hear about the HOX7 gene and Wolf-Hirschhorn syndrome. They have come to see the performer. The spotlight is on the midget: the hanging gardens roar and clap. It is little better than the circus."

The kind of research Ben Lambert does teeters between genetics and eugenics. For if conditions like spina bifida, cystic fibrosis and diabetes could be detected in the embryo, it would, in theory, be possible to terminate pregnancies so as to eradicate these conditions. Herein lies the huge irony for Lambert himself: in cracking the DNA code which identifies the cause of his own grotesquely deformed body he risks signing a death warrant for people like himself. Simon Mawer's *Mendel's Dwarf* is a gripping, life and death exploration of this dilemma, worked out with painful precision in the novel's intricate and flawless plot.

Reproduction is constantly on Ben Lambert's mind. For his sexual drive is in no way diminished by his stature, and his vivid imagination is triggered by mere glimpses of female flesh, glimpses which his low vantage readily affords: "I am an expert on legs. I live at the level of legs." Mostly such moments provide Ben with only fantasy fulfilment. But when his longstanding tragi-comic relationship with the aptly named Jean Piercey is eventually consummated, the issue of the genetic transmission of dwarfism becomes a nail-bitingly urgent one.

Alongside Lambert's own story Mawer unfolds a parallel one, equally poignant in its loneliness and disappointment — that of Gregor Mendel, the father of genetics, and Benedict's distant relation. Like Lambert, the monk from Brno inhabits a world of petty failure and sexual frustrations, with scientific research his only solace. Unlike Lambert, Gregor Mendel does not even have the satisfaction of recognition by his scientific peers — his eight years of painstaking experiments on the inherited characteristics of peas are ignored during his lifetime and his genius goes unrecognised until 30 years after his death.

In Mawer's ingenious tale, Benedict's life and that of his great-great-great uncle Mendel criss-cross and interweave, heightening the reader's understanding of both men's minds and of the intricate beauty of fundamental genetics. It is a tribute to the artistry of *Mendel's Dwarf* that the denouement is at once brutally unexpected and yet at the same time all-too predictable.


HULTON GETTY

Gregor Mendel: father of genetics, ignored in his day

Books for the beach

Our reviewers on what's hot

PETER ACKROYD

I HAVE just come back from holiday and took **Familiar London Birds** by Frank Finn (out of print, Hutchinson, 1923). I am very interested in natural history and especially in the origin of the pigeon: also **The Ecclesiastical History of the English People** by Bede (Penguin, £8.99).

IAN MCINTYRE

EVER since it was published a couple of months ago I have been dipping with pleasure and profit into **Pleasures of the Imagination: English Culture in the 18th Century** (HarperCollins, £30). John Brewer's enthralling exploration of the roots of English high culture. I shall also take with me the incomparable Anne Tyler's **Breathing Lessons** (Vintage, £5.99), the novel which won her the 1988 Pulitzer Prize, but which I missed at the time.

BEL MOONEY

I AM reading masses of Australiana in preparation for my next novel. I would take **Poor Fellow My Country** (HarperCollins, only available in Australia): an Australian classic by Xavier Herbert, which is huge. Also, Ted Hughes's **Tales From Ovid** (Faber, £7.99).

LAURENCE NORFOLK

RACHEL CUSK'S latest novel, **The Country Life** (Picador, £15.99), is hilarious and anarchic. **L'Amateur de Cuisine** by Jean-Philippe Derenne is an impassioned polemic about consumption disguised as a rather good cook book. A willfully eccentric magnum opus, it is — unfortunately — written in French and over 1,000 pages long. One's holiday books should always include something that one has no intention of finishing.

ROGER SCRUTON

SUMMER is the time for recuperation and reflecton, hence the time for re-reading, preferably among woods and fields and certainly not on the beach. Among books that I have recently re-read I recommend the following: Conrad's **Nostromo** (Penguin, £4.99), that wonderful examination of mafioso politics and of the nobility and apartness of the English public spirit; J. Kennedy Toole's **A Confederacy of Dunces** (Penguin, £6.99), surely one of the most underrated satires of our century; and **Dr Faustus** (Minerva, £7.99) by Thomas Mann.

ANTHONY STORR

I WILL be taking Theo Richmond's **Konin: A Quest** (Vintage, £8.99); **The Undertaking** by Thomas Lynch (Cape, £9.99) and Isaiah Berlin's **Sense of Reality** (Chatto, £20).

PETER STOTHARD

THREE partly read books with guaranteed pleasure to come: Joseph Brodsky's **Less Than One** (Penguin, £9.99), the poems of Propertius (Penguin, £6.99) and John Brewer's **Pleasures of the Imagination**.

SARA WHEELER

I HAVE recently read two real treats: **Serpent's Paradise**, by Dea Birkett (Picador, £16.99), the only other travel writer of my generation who makes money out of it. I don't see her as a threat but as batting for the same team. Also Jeremy Lewis's **Cyril Connolly: A Life** (Cape, £25) a fat tome ideal for immobilised, heavily pregnant women like me.

MARIANNE WIGGINS

I WOULD recommend **Small Gods** by Terry Pratchett (Corgi, £5.99). And Katharine Graham's autobiography, **Personal History** (Weidenfeld & Nicolson, £25). She was wonderful on *Start the Week*.

More summer reading in Saturday's Directory

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Bargains of the week: A week in China from £515 including hotel; a student's Europe air pass for less than £60

HOLIDAYS

MAJORCA for £209 a person for a fortnight is available from Co-op Travelcare, with half-board on a First Choice holiday and a flight from Leeds-Bradford on Tuesday. Details: 0541 500376.

■ ITALIAN "Explorer" fly-drive holidays, taking in mountains, lakes and Tuscan cities, are available from Inntravel with a flight from Heathrow on July 12. Price £656 a person, including a week's half-board in three hotels and car hire. Details: 01653 628862.

■ NILE cruises from £361 a person for a week, including full board and all excursions, are available from Destination Red Sea with flights from Gatwick and Manchester (£20 extra) on July 13. Details: 0181-440 9900.

■ ANDALUSIAN highlights and a week in the Algarve are featured in an Archers coach tour for £545 a person for a fortnight, flying from Gatwick, Birmingham or Manchester on July 13, 20 and 27. Details: 0181-466 6745.

■ KUONI is offering China for a week from £515 a person, including four-star hotel. Flights from Heathrow between July 14 and August 11. Details: 01306 740500.

■ PICARDIE "PAUSES" offering two nights for the price of one at more than 30 hotels, plus discounts on Le Shuttle and Hoverspeed, are available from the region's tourist office. Details: 0171-836 2232.

■ MALTA's jazz festival is featured on a weekend break from Le Meridien Holidays with a flight from Gatwick on July 18 and three nights B&B in a hotel. Price: £349 a person. Details: 0181-748 0460.

■ A SEASIDE hamlet in the southern Peloponnese is available for self-catering holidays at £423 a person a fortnight for departures until July 19 from Sunvil Holidays. Details: 0181-568 4499.



Free entry to the Summer Exhibition at the Royal Academy of Arts in Piccadilly, London, is included in a special dinner package available every Sunday this month at The Restaurant at Brown's. Two-course dinners cost £24.50 and three courses £29 with a complimentary glass of Pimm's on arrival. Details: 0171-518 4121

FLIGHTS

LUFTHANSA has a Discover Europe air pass for students or passengers aged under 26. Flights cost from £59 each (minimum four, maximum ten can be purchased). A route such as Birmingham-Dusseldorf-Rome-Frankfurt costs £236. Details from Campus Travel: 0171-730 3402.

■ AIR UK has Flight Saver fares to Copenhagen and Munich for £89 and Zurich for £139. Book by today. Details: 0990 074074.

■ JAPAN Airlines has a special package for students up to 29 years of age. A price of £688 covers return flights to Japan, a seven-day rail pass, transfers and two nights' accommodation. Details: 0171-495 1775.

■ GLOBETROTTERS are offering an £839 Round the World fare covering destinations in Asia, Australasia and the US for departures provided travellers depart before December 10. Flights are with Virgin Atlantic and Air New Zealand. Details from Travel Mood: 0171-258 0280.

■ FUTURA Direct has a £99 Gatwick to Palma excursion for departures after November 1. Details: 0990 772233.

■ BE IN Paris for Bastille Day — July 14 — by flying from Heathrow to Charles de Gaulle on July 10 with British Midland for £80 return, plus £13 tax. Details: Lunn Poly flight hotline 0990-811111.

HOTELS

EDINBURGH Tattoo two-night breaks are being offered by the Glasgow Hilton on the first two weekends in August, including accommodation, some meals and tickets, at £215 a person based on double occupancy, a 10 per cent discount on the normal price in the Hilton weekend breaks brochure. Details: 0800 856 8002.

■ THREE-NIGHT weekend breaks at £127.50 a person on a half-board basis are available at the new Broomhill Art Hotel near Barnstaple, North Devon. The hotel features an art gallery and sculpture park and offers a series of workshops and performances. Details: 01271 850262.

■ THE Mollington Banastre hotel in historic Chester is offering weekend breaks featuring highlights of the city's past, including a ghost tour on the Saturday night. Two nights' accommodation, plus dinner and English breakfast, cost £150 a person based on double occupancy. Details: 01244 851471.

■ ROCK 'n' roll every Friday until September 30 at the matinee performance of *Buddy*, the rock musical, and stay at the four-star Kenilworth Hotel. Offer, through Superbreak Mini Holidays, costs £89 a person including English breakfast. Details: 0161-238 5257.

■ STAY at the three-star Russ Hill Hotel near Gatwick airport on any weekend night in July and August and get 15 days' free parking while on holiday. Price, through Golden-rail, is £35 a person a night based on double occupancy, a saving of £6 a person on normal rates. Details: 0161-238 5206.

■ THE Hotel Eden in Rome has a two nights Summertime in Rome package available through Leading Hotels of the World from July 20 until August 31. At £206 a room a night, based on a minimum of two nights, the offer includes extras such as free use of the fitness facilities and a late checkout. Details: 0800 181 123.

■ THE luxury May Fair Inter-Continental Hotel in Central London is offering an upgrade to a one-bedroom suite or studio with whirlpool bath for a £75 supplement on normal rates until the end of the year. Details: 0345 581444.

■ STAPLEFORD Park in Leicestershire is hosting open air concerts on August 2 and 10, in its extensive grounds. Prices range from £18 to £22, with accommodation starting at £165 a room a night. Details: 01572 787522.

■ THE SAVOY group of hotels has a number of theatre and ballet packages available, covering final performances at the Royal Opera House and *Oliver* and other shows. Offers include tickets and meals within the group's hotels. Details: 0171-420 2379.

■ SCOTTISH HOTEL offers from Highlife Breaks include a rate of £20 a person for bed and breakfast at the three-star Dee Motel in Aberdeen, with breaks for a minimum of two nights taken over the weekend. Highlife has other special summer offers at Scottish hotels. Details: 0800 700 400.

■ ASHDOWN Park Hotel in East Sussex has a Taste of Jazz evening on July 20, including reception, buffet dinner and dancing for £45 a person, with special overnight accommodation rates of £120 a room. Details: 01342 824988.

■ THE Hyde Park hotel in Knightsbridge, which is now part of the Hong Kong-based Mandarin Oriental hotels group, has a summer weekend rate of £245 a room a night including VAT and service. The price also includes champagne on arrival and afternoon tea on the Butterfly Terrace. Details: 0171-235 2000.

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TWO people each paying £5 for a 24-hour return on Ramsgate-Ostend receive two free day returns on Ramsgate-Dunkirk with Holyman Sally Ferries. The offer is valid until July 16. Details: 0345 160000.

■ DUBLIN for £99, including a car and up to five adults, is offered by Irish Ferries until July 16. The offer is valid on the 3.45pm sailing from Holyhead, returning on the 9.45am from Dublin on any Wednesday. Details: 0990 171717.

■ SCANDINAVIAN Seaways has eight nights at a holiday centre in western Denmark, departing July 11, for £836 for two adults including ferry; two children travel free. Details: 0990 333111.

■ THREE-DAY returns Folkestone-Boulogne are offered from £55 by Hoverspeed, for a car and up to five passengers, until August 31. A £10 Saturday supplement applies. Details: 0990 240241.

■ STENA Line has introductory offers from £158 (down from £238) for a car and five passengers on its new Fishguard-Rosslare ferry. Details: 0990 707070.

■ IRISH Ferries Holidays has a five-night B&B package including three nights in Galway and two nights in Dublin, departing July 15. The price of £229 per person, based on four travelling, includes return ferry on the Holyhead-Dublin route. Details: 0990 170000.

In The Times on Saturday: Sandy Gall and Hilary Rubinstein in South Africa; Paris with children; in and around Budapest; Stapleford Park

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IN BRIEF

AIRLINES flying into and over Britain have been given three years in which to fit a collision warning system in an attempt to prevent a repeat of last year's mid-air crash which killed more than 350 people over India. The Civil Aviation Authority has ordered all airlines with aircraft carrying more than 30 passengers to fit a Tactical Collision Avoidance System by 2000.

☐ Cypriot hotels are now selling *Pravda*, with chicken Kiev and *borscht* on the menu. The island was invaded by 130,000 Russian tourists last year, compared with 21,000 in 1993. The number of Britons dropped from 970,000 in 1994 to 720,000 in 1996.

☐ A survey by Datamonitor predicts that travel spending using the Internet will have reached £1 billion a year by 2002, compared with £1 million this year. Airlines such as British Airways and British Midland will dominate the market, the survey claims, selling tickets direct to the one in three customers who will have a computer at home.

☐ Pride of Britain Hotels, the all-British consortium of *quality, privately owned* hotels, has formed an alliance with three overseas partners, overtaking the French-led Relais & Châteaux group in size.

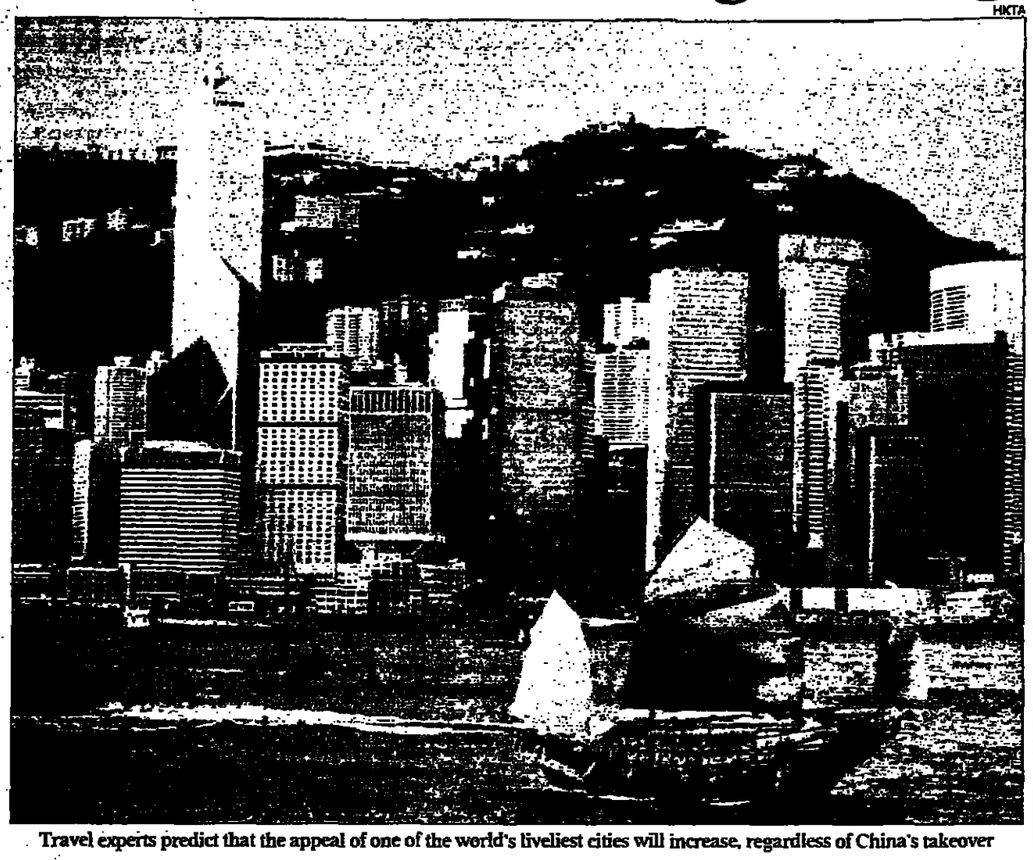
☐ Three international airlines will share a ticket office in London's Conduit Street from next week as a new alliance involving Air Canada, Lufthansa and United Airlines begins to pay dividends. The Star Alliance will be extended in October when the Scandinavian group SAS joins.

☐ Da Nang, which gained notoriety during the Vietnam War, is trying to become a holiday resort. The Hong Kong-based Majestic International hotel chain has an agreement with Vietnam Airlines to offer all-inclusive deals.

Tourist boom for Hong Kong

By Harvey Elliott

HKTA



Travel experts predict that the appeal of one of the world's liveliest cities will increase, regardless of China's takeover

HONG KONG predicts that the number of foreign visitors will rise by nearly 30 per cent over the next three years, although it expects a sharp drop during the first few months of Chinese rule.

The tourist association in the Special Administrative Region (SAR) predicts that in 2000 Hong Kong will attract 15 million visitors, compared with 11.7 million last year. By far the biggest increase is likely among tourists from Asia, who already outnumber Western visitors by almost ten to one.

Every flight from Britain had been booked solid for months in the run-up to the handover, but thousands of empty aircraft seats and hotel rooms are now available to the end of September.

The association says that bookings always fall sharply at this time of year because — as the world saw on television pictures of the handover ceremony — it is the region's rainy season.

Lunn Poly, Britain's biggest travel agency chain, says that holiday bookings to Hong Kong from November, 1996, to the end of May, 1997, were up by 83 per cent on the same period last year while numbers fell by 54 per cent during the four months to October.

The decline has led to a big fall in the price of a package holiday and some remarkable bargains at high street travel agents. Kuoni, which sells more holidays to Hong Kong than any other tour operator in Britain, is offering five nights at the Metropole Hotel, including return air fares, for £899 between July 24 and August 31. This falls to £599 between September 1 and September 15 and rises to £699 for the rest of the month.

British Airways Holidays is fully booked until July 10, when prices fall by £100 a month until they reach £699 for five nights at the Grand Tower Hotel in September, including return flights.

Hong Kong now has 34,168 rooms in 91 registered hotels. By 2000 12,064 more rooms will be available in three new hotel sites. Another five are being built and are due to open by 2007.

The demand for business-class travel to Hong Kong remains strong, despite fares that are about four times as high as economy. And none of the airlines that fly there — especially BA, Virgin and Cathay — has any plans to reduce them. A first-class return fare to Hong Kong costs £4,721 at weekends, business class £3,232 and a standard economy £982.

Rowland Cobbold, the association's regional director, says: "I think our target of 15 million visitors a year by 2000 is reasonable. It assumes a growth of about the same level as we have achieved in the past few years and though we may see a decline in the number of American, European and British visitors, there will be a rise in numbers from Asia which, will more than compensate. People from Britain are still unsure what will happen. It will take a little while for them to appreciate that little will change and that they will be able to come and go in much the same way as before."

A visa, for example, will not be needed for Britons to enter Hong Kong, provided they stay for six months or less. The only change will be that a visa will be needed for anyone wanting to study or work in the SAR.

Next year Chek Lap Kok Airport will open with a capacity to handle 35 million passengers a year. It will gradually expand to reach a maximum capacity of 87 million a year.

Among last year's 11.7 million visitors to the then Crown Colony were 400,000 from Britain and 1.2 million from the Continent.

The Chinese authorities have promised that Hong Kong will continue as a free-trade area with low taxation, so it is likely to continue to be a shoppers' paradise, selling low-cost goods made on the neighbouring Chinese mainland.



The Travel Business

Harvey Elliott

Time to rebuild Spain's hotels

Vicente Arocas knows what visitors will say when they first see the hotel Almirante Farragut that he runs in Menorca. "It's horrible," he admits.

The ugly concrete block-house style of architecture that once swept the world did not spare the Balearic islands. Along many of the most attractive coasts of Majorca, Menorca and Ibiza property developers — aided by politicians and urged on by the tour operators — threw up hundreds of hideous hotels.

Mass-market tourism gained a bad name because of their low ceilings, breeze blocks, metal window frames, rows of small, potentially dangerous balconies, low-quality meals and lack of facilities for children.

> 'Hideous hotels got mass market tourism a bad name'

But holiday-makers are no longer prepared to put up with poor quality accommodation, however cheap. So tour operators are having to ensure that the standards in those hotels are raised.

Some are convinced that as cruising becomes more affordable and commonplace, the demands will rise further. Already 65 per cent of Airtours cruise passengers spend a week on board ship followed by a week in a hotel. And they expect the same facilities and service they found onboard.

Airtours, Thomson, First Choice, Unijet and other big British operators claim that they can meet that demand because of the control they can assert through "vertical integration", which brings travel agency, airline, tour operator, handling agent and even some hotels and ships under a single umbrella. And, pragmatically, they want to stay ahead of ever tightening European safety and hygiene legislation.

Last weekend in Majorca and Menorca I saw hotels where the standards of food, service and facilities were undreamt of even three years ago.

Hoteliers who have joined in what amounts to a revolution in mass-market budget holidays are able to increase their prices to reflect their investment; they enjoy recognition of their efforts by the tour operators and increased repeat bookings.

Señor Arocas is no exception. He is now confident that Airtours, which provides the bulk of his clients, will this year give him a top award. There is no doubt that his facilities for families, the standard of food, and the level of service is higher than even a five-star resort hotel could have provided ten years ago.

But he is having to work in near impossible conditions. The hotel was built more than 20 years ago when the exterior design of the property mattered even less than its interior. So childrens' clubs and dance floors, bars and lounges have had to fit into the existing space — often completely inadequate — while outside the garish orange-painted balconies, puts any casual visitor off.

Tour operators have done much to improve the facilities of these old hotels by refusing to use those that fall short of their demands.

Now they must go further and urge the local council to order their destruction. It is already happening to a limited extent and new projects tend to be low-rise and attractive.

Give Señor Arocas and those like him, struggling to work in the wreckage of the Sixties architectural brutality, a chance to show what they can do with an attractive modern building. We, who may have no desire to stay there, but have to live with the results, will cheer them on. What you see from afar matters just as much as what is inside.

Ships may solve hotel shortage

By Harvey Elliott

CRUISE LINERS may be moored in the Thames as floating hotels to cope with the demand for millennium parties. The idea has been put forward amid claims that tens of thousands of potential tourists and visitors will be turned away because of a lack of hotel accommodation in London.

Michael Hirst, the chairman of the Joint Hospitality Industry Congress, says: "We are the only country that has set itself the objective of celebrating with an international event — but we do not have nearly enough hotel bedrooms."

Hotels are closing faster than new ones can be opened, says Mr Hirst, who is hotel consultant to the estate agents Knight Frank.

He adds: "Some of the rooms were of such a low standard, barely scraping through on safety grounds, that even the homeless were reluctant to stay there. Those around Notting Hill, Paddington and Bayswater are now being 'recycled', providing fashionable, boutique town-house hotels, or reverting to residential use."

A few vacant office blocks, such as County Hall, the former GLC headquarters, have been converted to hotels. "But," says Mr Hirst, "this is a drop in the ocean. By the millennium, we will still have only about 5,000 rooms on stream. London needs probably double that if we are to capitalise on this wonderful opportunity and sustain the impetus for generations to come."

Mr Hirst says London has fewer centrally located mid-budget quality hotels than any other big capital city. Tourists cannot not afford the £200-a-night bill for a room in London and will be disappointed if they are moved to the suburbs.

"Cruise liners moored in the Thames are a wonderful idea," he says. "But we cannot afford to delay creating more London hotel rooms to match the needs of the millennium."

Minister's remark on branding irks agents

By Harvey Elliott

NIGEL GRIFFITHS, the Consumer Affairs Minister, sent feathers flying in the travel industry this week when he appeared to pre-empt the Monopolies and Mergers Commission (MMC) inquiry into links between tour operators and travel agents.

When in Opposition, Mr Griffiths had been outspoken in his views that travel agency chains that are part of a bigger travel group should go under the name of their eventual owners. So the Lunn Poly chain of shops, which are part of the Thomson group, for example, should be called "Thomson", he had long maintained.

The argument is fiercely rejected by the big, vertically integrated travel groups who are now patiently putting their case to the MMC in a series of hearings. Thomson and Lunn Poly are both due to appear today and are sensitive to any suggestion that the Government has already made up its mind even before they have put their case.

So when Mr Griffiths was asked during a travel industry conference in Athens whether he still believed that there should be "continuity of branding" in the industry, the 300 delegates held their breath. "Absolutely," Mr Griffiths said.

That one word was enough to send Ian Smith, managing director of Lunn Poly, "apopleptic" according to one observer. Within hours, the Thomson group was phoning its lawyers.

The MMC was remaining inscrutable about the episode and remains on course to deliver its report to Mr Griffiths' boss, the President of the Board of Trade, Margaret Beckett, in November.



Griffiths: ruffled feathers

Feast for choral fans

By Iola Smith

TWO THOUSAND musicians and dancers from 35 countries will converge on Llangollen, North Wales, next week to celebrate the town's fiftieth international eisteddfod.

The festival was created after the Second World War in an attempt to promote reconciliation through music. Since then, it has helped to launch the careers of singers such as Luciano Pavarotti and Placido Domingo, both of whom have long had links with the festival.

This year's operatic highlight is a concert on July 13 by the soprano Montserrat Caballé. She will be joined by Montserrat Martí, her daughter, the Hallé Choir and the BBC Philharmonic. Other performers taking the stage during the week include the soprano Lesley Garrett and the pianist Joanna MacGregor.

The main event is the Choir of the World Award. Along with competitions for singers and instrumentalists, there will be dancers from as far afield as Albania and Zambia.

Firms swoon over the kroon

By John Roberts

BRITISH business executives are waking up to opportunities in Estonia which, with its currency, the kroon, pegged to the deutschemark, is considered the most successful among former the Soviet-occupied satellites.

The number of passengers using Estonian Air's non-stop route from Gatwick to the capital Tallinn has soared from just 2,000 in 1995 to 16,000 in 1996 and a projected 33,000 this year.

Charles de Chassiron, the outgoing British Ambassador, says: "Inflation is down to 10 per cent. Britain is the fifth biggest investor here. We've even had delegations from the City of London.

"Britain is liked. There is a warm feeling towards us. It goes right back to when Nelson's boats were built from Estonia timber."

The danish airline Maersk Air wasted no time in taking 49 per cent of Estonia Air, which was formed in 1991 after the communist collapse. It uses Boeing 737-500s on the London route and has phased out Soviet-built Aeroflot planes.

British tourists are also discovering the country in growing numbers — 18,000 last year — and the state tourism director-general, Sylvi Bljumovitsh, says: "We hope to open our first tourism office in Britain — at Estonia House in London — in April next year."

Before that, more hotels in Tallinn are badly needed. The city was virtually sold out in early June, but the new Santa Barbara Hotel has 90 rooms and a 22-storey hotel is in the planning stage. Hotel chains are beginning to get interested, but Sylvi says: "We have four-star hotels, but for our image it would be good to have a five-star."

A four-star hotel is about £50 a night and an average tourist hotel £15 to £20. B&B costs £5 a night and a good three-course meal can be had for £10. Beer in the historic old town — all quaint alleys and cobbled streets — is about £1.25p a pint.

Amidst all this, British entrepreneurs are trying their luck. Mr De Chassiron says: "We have three timber firms, shipping companies, and Shell and Next are here. Land Rover is in and Jaguar is opening a garage."

Estonian Air's business-class return fare is £650 compared to the standard £1,032. Its unrestricted one-way fare is £468 against £516. Lowest economy fare (requiring a Saturday-night stay) is £230 return against the normal Apex £265.

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Interim relief in support of foreign case

Credit Suisse Fides Trust SA v Cuoghi

Before Lord Bingham of Cornhill, Lord Chief Justice, Lord Justice Millett and Lord Justice Potter

[Judgment June 11]

On an application under section 25 of the Civil Jurisdiction and Judgments Act 1982 for interim relief in support of foreign civil proceedings, the focus of the English court's attention was the expediency or otherwise of granting relief having regard to the absence of its jurisdiction apart from section 25 over the subject matter of the substantive proceedings in question.

On any such application the court had accordingly to recognise that its role was ancillary to and supportive of that of the court seised with the substantive proceedings.

Where a world-wide Mareva (asset-freezing) injunction was sought against a defendant to foreign civil proceedings who was resident and domiciled in England the fact that the English court's jurisdiction derived solely from *section 25 did not of itself make it* inexpedient to grant world-wide, as distinct from domestic relief.

The Court of Appeal so held dismissing an appeal by the defendant, Mr Sergio Cuoghi, from Mr Justice Mance who had refused to discharge a world-wide Mareva injunction and associated dislosure order granted in favour of the plaintiff, Credit Suisse Fides Trust SA, under section 25 of the 1982 Act in aid of its claim in civil proceedings brought in Switzerland alleging the defendant's complicity in the misappropriation of US $21.66 million by one of its employees.

The Court of Appeal also dismissed the plaintiff's cross-appeal from the judge's order directing the defendant to swear an affidavit defining the scope of his claim that *disclosure would incriminate him* in Swiss criminal proceedings.

The defendant, who was resident and domiciled in England, carried on business here. He was alleged to have assets in other jurisdictions but, since he was not resident in Switzerland, the Swiss court had no power to order him to disclose their whereabouts.

The 1982 Act, as amended by the Civil Jurisdiction and Judgments Act 1991, *incorporated the Lugano* Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters of 1988 which extended to its contracting states the principles of the Brussels Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters of 1968 also incorporated by the 1982 Act.

Since, for the purposes of section 25 of the 1982 Act, Switzerland was a Lugano contracting state and the subject matter of the substantive proceedings fell within the scope of *the Brussels Convention, the High* Court had jurisdiction under section 25(1) to grant interim relief.

By section 25(2) the court on such an application might refuse to grant relief if, in its opinion, "the fact that the court has no jurisdiction apart from this section in relation to the subject-matter of the proceedings in question makes it inexpedient for the court to grant it".

Mr Michael Briggs, QC, for the defendant; Mr Jeffery Onions for the plaintiff.

LORD JUSTICE MILLETT, having referred to article 24 of the Lugano Convention, authorising the grant of interim relief in present circumstances, section 25 of the 1982 Act and to the recent extension to the court's jurisdiction provided by the Civil Jurisdiction and Judgments Act 1982 (Interim Relief) Order (SI 1997 No 302), said that the wording of section 25(2) was inelegant and perhaps not readily susceptible to close textual analysis, but its meaning was tolerably plain.

On an application for interim relief under subsection (1) the court was not bound to grant relief but might decline to do so if in its opinion the fact that it was exercising an ancillary jurisdiction in support of substantive proceedings elsewhere made it inexpedient to grant it.

It was the ancillary or subordinate nature of the jurisdiction rather than its source which was material and the test was one of expediency.

The structure of subsections (1) and (2) and the way in which their scope had been progressively widened indicated a parliamentary intention that the English court should in principle be willing to *grant appropriate interim relief in* support of substantive proceedings taking place elsewhere and that it should not be deterred from doing so by the fact that its role was only an ancillary one unless the circumstances of the particular case made the grant of such relief inexpedient.

His Lordship could not accept the defendant's submission that it was inappropriate to exercise the section 25 jurisdiction to grant a world-wide Mareva in support of proceedings pending in another country: there was no reason in *principle why an English injunc*tion should not restrain a person properly before the court from disposing assets abroad.

The order operated in personam. It was a strong thing to restrain a defendant who was not resident within the jurisdiction from disposing of assets outside the jurisdiction.

But where he was domiciled within it such an order could not be regarded as exorbitant or as going beyond what was internationally acceptable.

To treat it as such merely because the substantive proceedings were pending in another country would be contrary to the policy informing article 24 and section 25.

Where a defendant and his assets were located outside the jurisdiction of the court seised of the substantive proceedings it was most appropriate that protective measures should be granted by those courts best able to make their orders effective.

In relation to orders taking direct effect against the assets, that *meant the courts of the state where* they were located; and in relation to orders in personam, including disclosure orders, that meant the courts of the state where the person enjoined resided.

While recognising that an ancillary jurisdiction ought to be *exercised with caution and that* care should be taken not to make orders which conflicted with those of the court seised of the substantive proceedings, his Lordship did not accept that interim relief should be limited to that which would be available in the court trying the substantive dispute, or that by going further the English court would be seeking to remedy defects in the laws of other *countries*.

The principle which underlay article 24 was that each contracting state should be willing to assist the courts of another contracting state by providing such interim relief as would be available if its own courts were seised of the substantive proceedings.

By going further than the Swiss courts would be prepared to go in relation to a defendant resident outside Switzerland, the English court would not be seeking to remedy any perceived deficiency in *Swiss law but rather to supple*ment the jurisdiction of the Swiss courts in accordance with article 24 and principles which were internationally accepted.

His Lordship referred to the defendant's reliance on *Rosseel NV v Oriental Commercial Shipping (UK) Ltd* ([1990] 1 WLR 1387), which was not a section 25 case, and *S & T Bautrading v Nordling* (unreported, July 29, 1996; CA (Civ Div) Transcript No 1018 of 1996) which did concern section 25, for the proposition that the English court should only make orders having extra-territorial effect in aid of foreign substantive proceedings in "very exceptional circumstances".

In the latter case the court appeared to have given no consideration to the terms of section 25(2), to the question whether the making of a world-wide order would have been inexpedient, to the fact that the defendants were domiciled in England or to the absence of conflicting jurisdictions.

It was regrettable that a gloss had been placed on the words of *section 25(2)*. The question for consideration was not whether the circumstances were exceptional but whether it would be inexpedient to make the order.

Where application was made for in personam relief in ancillary proceedings two considerations *which were highly material were* the place where the person sought to be enjoined was domiciled and the likely reaction of the court seised of the substantive dispute.

Where a similar order had been refused by that court it would generally be wrong to interfere; *but where the other court lacked* jurisdiction to make an effective order against a defendant because he was resident here it did not at *all follow that that court would* find the English court's order objectionable.

The judge's decision was unassailable and the defendant's appeal would be dismissed.

THE LORD CHIEF JUSTICE, agreeing, *referred to the generally* cautious approach adopted by the court where Mareva, particularly world-wide, relief was sought in support of substantive proceedings brought in England.

Where such relief was sought under section 25 where substantive proceedings had been commenced elsewhere, his Lordship said that the court would be even more cautious in granting it, having regard to the terms of subsection (2).

It would be unwise to attempt to *list all the considerations which* might be held to make the grant of relief under section 25 inexpedient or expedient, whether on a municipal or world-wide basis.

But it would obviously weigh heavily, probably conclusively, against the grant of interim relief if *such grant would obstruct or* hamper the management of the case by the primary court, that is, the court seised of the substantive proceedings, or would give rise to a risk of conflicting, inconsistent or overlapping orders in other courts.

It might weigh against the grant *of relief by the English court that* the primary court could have granted such relief and had not done so, particularly if it had declined an application for such relief.

But it might be thought to weigh in favour of granting such relief *that a defendant was present in* England and so liable to effective enforcement of an order made in personam always provided that by the grant of relief the English court did not tread on the toes of the primary court or any other court involved in the case.

On any application under section 25 the English court had to recognise that its role was subordinate to and had to be supportive of that of the primary court.

Lord Justice Potter agreed with both judgments.

Solicitors: Judge Sykes Prikou; Clifford Chance.

Court cannot substitute lesser verdict after plea

Regina v Horsman

Before Lord Justice Waller, Mr Justice Tucker and Mr Justice Bennett

[Judgment June 13]

Where a conviction had to be set aside, the Court of Appeal had no jurisdiction under section 3 of the Criminal Appeal Act 1968 to substitute a conviction for an alternative offence where the appellant had pleaded guilty prior to being *put in charge of the jury. Section 3* applied only where a jury had convicted the appellant.

The Court of Appeal, Criminal Division, so held in a reserved judgment allowing the appeal of Richard David Horsman against conviction following his plea of guilty on *April 18, 1994* at Barnstaple Crown Court (Judge Neville) to two counts of obtaining property by deception contrary to section 15 of the Theft Act 1968. On May 25, 1994 the appellant was sentenced to a total of 15 months imprisonment.

Section 3 of the 1968 Act provides: "(1) This section applies on an appeal against conviction, where the appellant has been convicted of an offence and the jury could on the indictment have found him guilty of some other offence, and on the finding of the jury it appears to the Court of Appeal that the jury must have been satisfied of facts which proved him guilty of the other offence.

"(2) The court may, instead of allowing or dismissing the appeal, substitute for the verdict found by the jury a verdict of guilty of the other offence, and pass such sentence in substitution for the sentence passed at the trial as may be authorised by law for the other offence, not being a sentence of greater severity."

Miss Sarah Munro, who did not appear below, assigned by the Registrar of Criminal Appeals, for the appellant; Mr G. M. Mercer for the Crown.

LORD JUSTICE WALLER, giving the judgment of the court, said *that following the decision of the* House of Lords in *R v Preddy* ([1996] AC 815), which demonstrated that despite the appellant's admitted dishonesty no offence under section 15(1) could have been committed, he applied for an extension of time for *appealing his conviction. That was* granted by the deputy registrar. Leave to appeal was granted by the single judge, clearly on the expectation that the Court of Appeal would have power to substitute convictions for some other offence under section 3 of the 1968 Act.

The question raised squarely before the Court of Appeal was whether the court did in fact have that power.

For the appellant it was submitted *that on the wording of section 3* of the 1968 Act, unattractive as it might seem in the light of the appellant's admitted dishonesty, there was in fact no power to substitute where the appellant had pleaded guilty.

Miss Munro's argument was straightforward. It was that if the wording of section 3 was followed it contemplated substitution only where there had been a verdict of the jury. That appeared right.

Mr Mercer submitted that it would be most unfortunate and indeed anomalous if the power to substitute did not extend to appeals against conviction on a guilty plea. Again, that also appeared to be right.

However, the powers of the Court of Appeal flowed only from statute and however anomalous if *the words of the section* were clear there was no room for construing them in any other way.

A further difficulty for the Crown was created by the fact that *R v Shannon* ([1975] AC 717) demonstrated that the original wording of section 2(1) of the same Act created a *lacuna not dissimilar* to that which their Lordships suggested existed in relation to section 3. That lacuna was corrected by amendment by which the words "the verdict of the jury" were removed and replaced by the words "the conviction".

In their Lordships' view, most unfortunately, the power of the Court of Appeal, to substitute a verdict did not exist where a defendant had pleaded guilty prior to being put in charge of the jury. The words in section 3 which provided the Court of Appeal with the power to substitute contemplated expressly a verdict from a jury, and there was no other power provided.

Time having been extended and leave to appeal granted, the appellant's appeal against conviction *had to be allowed.*

Certain aspects should be re-emphasised. First, the fact that substitution was *not* available on a plea of guilty was clearly a material circumstance in considering whether in justice an extension of *time and leave to appeal* should be given.

It was only once leave was given that the court was compelled by section 2 to allow the appeal if the conviction was wrong in law, without being able to do that which justice would appear to demand of substituting the alternative which would have been available if the point had been taken at the trial itself.

The fact that if the point had been taken at the trial, substitution would have taken place by means *of an amendment* was a highly material factor in considering whether to grant an extension of time: see *R v Hawkins* ([1977] 1 Cr App R 234, 240).

Accordingly, until there was an amendment to the law, applications for an extension of time for *appealing and for leave to appeal* against convictions where there had been a plea of guilty needed consideration by the full court, unless leave was refused, so that the Court of Appeal's hands were not tied.

Second, it was pointed out by Mr Mercer that there might be situations where if an appellant, who had pleaded guilty to an offence but it turned out there was no offence in law on the particularised facts, was refused an extension of time and leave to appeal simply because there was no power in the Court of Appeal to substitute, that might in some cases create an injustice to the would-be appellant.

At the least it would place the court in a dilemma as to whether to give leave to appeal with the consequence of the conviction having *to be quashed, or refuse leave* rather than allow the appellant to escape punishment for some dishonest conduct. Accordingly, the question of amending the law should be looked at with some haste.

Finally, it should be made clear that under compulsion the appeal had been allowed, but the appellant should appreciate that he had only the most technical of acquittals. No injustice had been done by his serving a prison sentence.

Solicitors: Crown Prosecution *Service, Exeter.*

Liability need not be fixed before damages limited

Caspian Basin Specialised Emergency Salvage Administration and Another v Bouygues Offshore SA and Others

Ultisol Transport Contractors Ltd v Bouygues Offshore SA and Others

Before Mr Justice Rix

[Judgment April 30]

It was not necessary for liability to be established or admitted before a limitation action under the Mer*chant Shipping* Act 1995 could be commenced, or a declaration of limitation obtained.

Mr Justice Rix so held in the Admiralty Court of the Queen's Bench Division in a reserved judgment, inter alia, granting the plaintiffs' applications for declarations limiting their liability, if any, in connection with the loss of a barge owned by the first defendant, Bouygues Offshore SA.

The barge was being towed to Cape Town, South Africa, pursuant to a charterparty between Bouygues and Ultisol. The tug was owned by Caspian and chartered by Ultisol. The barge was lost off the coast of South Africa.

Bouygues had commenced proceedings against Caspian and Ultisol in South Africa and in England, alleging, inter alia, misrepresentation and claiming damages in excess of £50 million. Both Caspian and Ultisol had commenced limitation actions in England under what became the Merchant Shipping Act 1995, and had made applications for declarations limiting their liability to a limitation fund constituted by Ultisol in the amount of £573,717. Liability had not been admitted or established.

Among the issues raised was whether a declaration of limitation could be obtained without liability first being admitted or established; and whether there was a right to limit in respect of a claim in misrepresentation.

Mr Nicholas Hamblen, QC, for Caspian; Mr Angus Glennie, QC and Miss Clare Ambrose for Ultisol; Mr David Steel, QC and Mr Simon Gault for Bouygues.

MR JUSTICE RIX reviewed the relevant authorities, starting with *Hill v Audus* ((1855) 1 K & J 263), which appeared to establish that the determination of liability was a condition precedent to the commencement of a *limitation* action.

In his Lordship's judgment no authority survived with unbroken force because the decisions were based on jurisdictional issues which were not now relevant and were pursuant to statutory provisions which were no longer in force.

It was true that among the reasons given in *Hill v Audus* for the construction placed upon the statute was the practical consideration that a limitation action *without an admission of liability* might be a waste of time.

However, his Lordship said that if the matter was one of discretion rather than of jurisdiction there were obviously circumstances, such as those in the present case where the sum claimed was many times greater than the limitation fund and a declaration of limitation would enable the parties to know if the matter was worth litigating, in which the determination of limitation could sensibly and profitably precede the determ*ination of liability*.

Since the jurisdictional constraints which in those cases required a determination of liabil*ity before the court could pro*nounce upon limitation no longer applied, in his Lordship's view, there was nothing in theory or logic which demanded that the right to limit liability was possessed only by one who owed liability.

Any modern rule which stated that liability was a condition precedent to limitation was therefore not a rule of law but a rule of practice, best expressed in terms of a presumption, and his Lordship could not see why any presumption that liability should precede a decree of limitation should not be rebutted in certain circumstances, such as when there was no dispute as to the right to limit.

Furthermore, the terms of the Convention on Limitation of Liability for Maritime Claims *1976, incorporated into English* Law by section 17(1) of the Merchant Shipping Act 1979, now section 185(1) of the Merchant Shipping Act 1995, envisaged that limitation actions could be commenced without admission of liability.

In his Lordship's view, that was a pointer that there was nothing wrong in principle with the court pronouncing upon limitation when liability was still in issue.

Nor was there anything in Order 75 of the Rules of the Supreme Court which was incompatible with a declaration of limitation being granted prior to an admission of liability.

In a normal case where liability was admitted, distribution of the fund and stays of proceedings followed a decree of limitation. If *liability had not yet been deter*mined, clearly there could be no staying of the liability action which remained to be fought. However, his Lordship saw no reason why distribution should not await the outcome of the trial of liability.

As to the issue of whether there was a right to limit under the 1976 Convention in respect of a claim in misrepresentation, his Lordship considered that there was.

Mr Steel had submitted that a claim in misrepresentation was not a "claim in respect of . . . loss or *damage to property . . . occurring* . . . in direct connection with the operation of the ship" as required by paragraph 2.1 of the Convention.

As to the first limb of that requirement, his Lordship said that a claim in a convention dealing with limitation of liability was prima facie a demand for financial recompense, and that was what the misrepresentation claim was.

As to the second limb, his Lordship rejected the submission *that the claim did not arise in* "direct connection with the operation of the ship". If that submission were adopted, many contractual claims for breach of warranty which were within the 1976 Convention could be presented as claims for misrepresentation and therefore outside the convention.

Moreover, paragraph 2.1 provided that claims within its scope qualified for limitation "whatever the basis of liability may be".

Solicitors: Edwin Coe; Thomas Cooper & Stibbard; Clyde & Co.

Tachograph rule applies after end of working day

Director of Public Prosecutions v Guy

Before Lord Justice Simon Brown and Mr Justice Garland

[Judgment June 17]

A driver was guilty of the offence of driving a vehicle when the tachograph was not working even when he was driving home having finished work for the day.

The Queen's Bench Divisional Court so held allowing an appeal by way of case stated by the prosecution against the acquittal by Barry Justices of David Andrew Guy of driving a vehicle in which recording equipment was installed but not in use as required by article 15(2) of Council Regulation EEC/3821/85 (OJ 1985 L370/8) contrary to section 97 of the Transport Act 1968.

Mr John McGuiness for the prosecution; Mr Hugo Keith as amicus curiae.

LORD JUSTICE SIMON BROWN said that on July 21, 1995 the defendant was driving home in Dinas Powys in a tractor unit when he was stopped by the police who found the tachograph was not working as there was no record sheet in it. When questioned, he said: "I thought it was all right for personal use."

While the justices had held that the vehicle came within the exception in article 4(12) of Council Regulation 3820/85 (OJ 1985 L370/1) it had been correctly conceded by the parties that that was not the case. The exceptions listed in article 4 only exempted vehicles by description as to their general use, it did not provide exemptions for individual vehicles.

Article 15 of Regulation 3821 stated: "(2) Drivers shall use the record sheets every day on which *they are driving starting from the moment they take over the vehicle.* The record sheet shall not be withdrawn before the end of the daily working period..." That article had to be read subject to article 15(3) which gave details of time to be recorded.

The prosecutor contended if one drove a vehicle to which a tachograph had been installed, any driving time came within the daily working period. The defendant contended that driving home from work constituted part of the rest period.

No problems arose when a driver drove his own vehicle home because there was no obligation to install and use a tachograph in such a vehicle. In this case however the defendant drove home in his employer's vehicle.

Both parties referred to *Marc Michelson and Geybels Transport Service N V (GTS)* ([1994-6] ECR I-2497) from which it was clear the daily working period ended when the rest period began. However, that case did not answer the question whether a driver driving home was in his daily working period or his rest period.

The regulations themselves were not helpful as they did not define rest period.

While his Lordship had strong initial sympathies with the defendant, *he concluded that he* had committed the offence. It was clear from the first sentence of article 15(2) that the daily work period started from the moment the driver took over the vehicle and it would be curious if a driver was not required to use a tachograph when driving home when his day's work had ended. *Prime v Hosking* (*The Times* December 30, 1994) on a similar point was no help.

Given the considerations above and the general purposes of the legislation to promote public safety, *for the purposes of article* 15(2) the work period did not end until a driver ceased to drive.

Mr Justice Garland agreed.

Solicitors: Crown Prosecution Service, Cardiff; Treasury Solicitor.

Human Rights Law Report — Strasbourg

Intercepting office telephone calls is breach of privacy

Halford v United Kingdom

(Case No 73/1996/692/884)

Before R. Bernhardt, President and Judges L.-E. Pettiti, C. Russo, A. Spielmann, I. Foighel, J. M. Morenilla, Sir John Freeland, M. *A. Lopes Rocha and P. Curis*

Registrar H. Petzold

Deputy Registrar P. J. Mahoney

[Judgment June 25]

Interception of telephone calls from an office in Merseyside Police Headquarters was a breach of the right of privacy.

The European Court of Human Rights held that there had been violations of both articles 8 and 13 of the European Convention on Human Rights in respect of Ms Halford's complaints that telephone calls made from her office in Merseyside Police Headquarters had been intercepted in breach of her right to respect for her private life and correspondence and that she had not had available to her any effective remedy for that complaint.

Article 8 of the Convention provides:

"1 Everyone has the right to respect for his private and family life, his home and his correspondence.

"2 There shall be no interference by a public authority with the exercise of this right except such as is in accordance with the law and is necessary in a democratic society in the interests of national security, public safety or the economic well being of the country, for the prevention of disorder or crime, for *the protection of health or morals*, or for the protection of the rights and freedoms of others."

Article 13 provides: "Everyone whose rights and freedoms as set forth in [the] Convention are violated shall have an effective remedy before a national authority notwithstanding that the violation has been committed by persons acting in an official capacity."

Ms Alison Halford was born in 1940 and live in the Wirral. In May 1983 she was appointed assistant chief constable with the Merseyside Police and as such was the highest ranking female police officer in the United Kingdom.

After she had failed on several occasions to be appointed to a more senior post, in 1990 she commenced proceedings against the Home Office and Merseyside Police Authority in the industrial tribunal alleging discrimination on the ground of sex. She withdrew her complaint in August 1992 following an agreement under which she was to retire from the police force and receive ex gratia payments totalling £15,000.

Ms Halford alleged that certain members of the Merseyside Police Authority launched a campaign against her in response to her discrimination complaint. That took the form, inter alia, of leaks to the press, the bringing of disciplinary proceedings against her and the interception of her telephone calls.

For the purposes of the case before the Court, the UK Government accepted that there was a reasonable likelihood that calls made from her office telephones had been intercepted but did not accept that any such likelihood had been established in relation to calls made from her home telephone.

In December 1991, Ms Halford complained to the Interception of *Communications Tribunal. In* February 1992 the tribunal informed her that it was satisfied that there had been no contravention of the Interception of Communications Act 1985 in relation to her home telephone, but, under the terms of the Act, it was not empowered to specify whether that was because there had been no interception or because there had been an interception which had been carried out pursuant to a warrant in accordance with the Act.

In a letter to Mr David Alton, MP, Ms Halford's member of Parliament, the Home Office explained that eavesdropping by the Merseyside Police on their own internal telephone system fell outside the scope of the 1985 Act and would not require a warrant.

The application to the European Commission of Human Rights which was lodged on April 22, 1992, was declared admissible on March 2, 1995.

Having attempted unsuccessfully to secure a friendly settlement, the Commission drew up a report on April 18, 1996 in which it established the facts and expressed the opinion that there had been violations of both articles 8 and 13 in relation to the applicant's office telephones (2to votes to 1); that there *had been no violations of articles 8*, 10 or 13 in respect of her home telephone (unanimously); that it was not necessary to examine separately her complaint under article 10 in relation to her office telephones (unanimously), and, finally, that there had been no violation of article 14 (unanimously).

In its judgment, the European Court of Human Rights held as follows:

A Article 8

1 Applicability of article 8

It was clear from the Court's case law that telephone calls made from business premises as well as from the home might be covered by the notions of "private life" and "correspondence" within the meaning of article 8: see, for example, the judgments of *Klass and Others* on September 6, 1978 (Series A No 28); *Malone v UK* of August 2, 1985 and *Kruslin v France; Huvig v France* (*The Times* May 3, 1990; Series A No 176).

There was no evidence of any warning having been given to Ms Halford, as a user of the internal telecommunications system operated at Merseyside Police Headquarters, that calls made on that system would be liable to interception and the Court considered that she would have had a reasonable expectation of privacy for such calls.

Article 8 was therefore applicable to the complaints relating to both the office and home telephones.

2 The office telephones:

(i) Existence of an interference

There was a reasonable likelihood, as the UK had conceded, that calls made by Ms Halford from her office had been intercepted by the Merseyside Police, probably with the primary aim of gathering material to assist in the defence of the sex discrimination proceedings brought against them. That constituted an interference by a public authority within the meaning of article 8.2.

(ii) Whether the interference was in accordance with the law

The Interception of Communications Act 1985 did not apply to internal communications systems operated by public authorities, such as that at Merseyside Police Headquarters, and there was no other provision in domestic law to *regulate the interception of calls on* such systems.

Since English law provided no protection to Ms Halford, it could not be said that the interference was in accordance with the law as required by article 8. There had therefore been a violation of that article.

3 The home telephone: Existence of an interference

The Court did not consider that the evidence established a reasonable likelihood that calls made on the telephone in Ms Halford's home had been intercepted. In view of that conclusion, it did not find a violation of article 8 in relation to the home telephone.

B Article 13

The Court found a violation of article 13 in respect of Ms Halford's complaint about the interception of calls made on her office telephones, in view of the fact that the 1985 Act did not apply to the internal telephone system operated by Merseyside Police and there was no other avenue in *domestic law for her complaint.*

It did not find a violation of article 13 in relation to her complaint concerning her home telephone, because article 13 only required an effective remedy before a national authority in respect of arguable claims under the Convention.

Ms Halford, however, had not adduced enough evidence to make out an arguable claim. Judge Russo dissented on that point.

C Articles 10 and 14

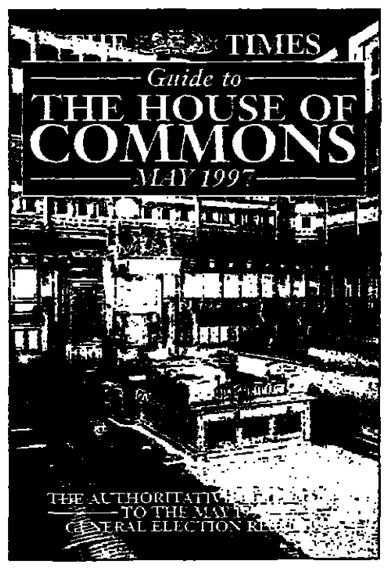
The allegations in relation to articles 10 and 14 were tantamount to restatements of the complaints under article 8. It was not therefore necessary for the Court to consider them.

D Article 50

The Court awarded Ms Halford £10,000 in compensation for the intrusion into her privacy and £600 towards her personal expenses incurred in bringing the case to Strasbourg. It also awarded £25,000 of the £142,875 legal costs and expenses she had claimed.

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No credit for VAT on incentive

Commissioners of Customs and Excise v Redrow Group plc

Before Lord Justice Simon Brown, Lord Justice Peter Gibson and Mr Justice McCullough

[Judgment June 9]

A taxpayer company, which as part of a sales incentive scheme paid the fees of estate agents who sold the existing homes of prospective purchasers thus enabling them to buy the company's newly built homes, was not entitled to recover as an input tax credit the value-added tax paid on the estate agents' fees.

The Court of Appeal so stated allowing an appeal by the Commissioners of Customs and Excise from the judgment of Mr Justice Potts made on December 4, 1995 whereby he dismissed their appeal against the decision of the VAT tribunal dated April 6, 1995.

The tribunal by their decision had allowed the appeal of the taxpayer company, Redrow Group plc, against a VAT assessment of £58,853 and £6,638.12 default interest made to recover input tax claimed and deducted by the company during 48 consecutive monthly accounting periods.

The company built houses for sale in the private sector. Most of their prospective purchasers had existing houses to sell and, until they were sold, could not proceed with their purchase from the company. As a marketing device the company devised and operated a sales incentive scheme called the estate agents package scheme under which in certain circumstances the company paid the fees of estate agents who sold the existing homes of prospective purchasers. The company claimed the VAT paid on those fees as input tax.

Mr Paul Lasok, QC and Mrs Melanie Hall for the commissioners; Mr Richard Bramwell, QC and Mr John Dick for the taxpayer company.

LORD JUSTICE SIMON BROWN said that the question was whether or not the taxpayer company was entitled to the benefit of that input tax.

Fundamental to both the tribunal's and the judge's decisions was the conclusion that the estate agents' services were provided to both the company and the prospective purchasers. That was the decisive consideration.

Was that conclusion supportable? In submitting that it was, Mr Bramwell relied on the earlier tribunal decisions in *P & O Ferries (Dover) Ltd v Commissioners of Customs and Excise* on June 29, 1992, and *Plessey Co Ltd v Commissioners of Customs and Excise* on October 17, 1994, for the proposition that the same services could be supplied to two different people.

In contending for the contrary, Mr Lasok submitted that the earlier cases, and, the tribunal's approach in the present case, needed now to be re-examined in the light of the decision of the European Court of Justice in *BLP Group plc v Customs and Excise Commissioners* ([1995] STC 424) and the House of Lords' decision in *Robert Gordon's College v Customs and Excise Commissioners* ([1996] 1 WLR 201), both decided later, and that on a true analysis the supplies in the present case could only properly be regarded as having been made to the prospective purchasers, rather than to the company, the latter merely obtaining a collateral benefit from them.

The strength of Mr Bramwell's case appeared to his Lordship to lie in the following considerations.

First, that it was the company who chose, instructed, and in those cases which resulted in a completed purchase of a Redrow home, paid the agent.

Second, that in those cases the company benefited from the estate agent's services equally with the prospective purchaser.

True, those services were themselves directed to the sale of the prospective purchaser's home, but that sale provided the company not merely with a prospective purchaser with vacant possession but rather with an actual purchaser who simultaneously completed the purchase of a Redrow home.

The sale of the prospective purchaser's home, Mr Bramwell submitted, was the key which unlocked too the sale of the Redrow home. There was no chain of transactions and no intervening transaction involved; rather there were interlocking, contemporaneous transactions and a clear community of interest between the prospective purchaser and the company in using the agent to sell the former's home.

The broad merits of the company's case seemed to his Lordship plain and it was difficult to think of any good commercial reason why in those circumstances they should not recover the input tax in question. VAT law, however, was no respecter of merits. It required a careful analysis of each transaction undertaken.

It was clear, first, that the identity of the person providing the consideration did not in itself indicate the person who was the recipient of a supply.

Section 14 of the Value Added Tax Act 1983, which defined input tax, moreover, now had to be considered in the light of the European Court's decision in *BLP*. That decision was applied by the House of Lords in *Robert Gordon's College*.

Mr Bramwell sought first to argue that those two decisions went only to issues that had been conceded by the commissioners, that is, the questions whether the company used the agent's services for the purpose of their business and whether those services were attributable to the company's taxable supplies.

His Lordship rejected that contention. It seemed that *BLP* necessarily bore too on the central question arising in the present case: to whom was the supply of services made? It required one to ask with what transaction the supply had a direct and immediate link. Similarly, *Robert Gordon's College* required each transaction to be examined separately and forbade a global view.

Could Mr Bramwell's analysis survive such an approach? His Lordship had reluctantly concluded that it could not.

Even if one accepted that in certain circumstances the same services could be supplied to two different people, otherwise than under a conventional contract made between the supplier on the one hand and the other parties jointly on the other, in his Lordship's judgment that could only be so when there existed not merely a mutuality of interest in receiving the services, as in *P & O Ferries*, but also no more than a single transaction in which both recipients shared that interest.

In the present case, however, there were two discrete transactions, certainly for VAT purposes: one, the non-taxable supply of the purchaser's home, the other, the taxable supply of a Redrow home. True, they were closely linked both as to time and as to ultimate aim: to rehouse the purchaser, now unencumbered by his first home, in a Redrow home.

But two transactions there undoubtedly were, and when one examined each "separately to ascertain objectively what output tax is payable and what input tax is deductible" (*Robert Gordon's College*), and when one asked with which transaction the agent's services had "a direct and immediate link" (*BLP*), ignoring as one must "the ultimate aim pursued by the taxable person" (*BLP*), there seemed only one conclusion.

The agent's services were supplied and their fees incurred in the sale of the purchaser's home. That was a service provided, as the commissioners contended, to the purchaser, not to the company.

His Lordship would restore the commissioners' assessment.

Lord Justice Peter Gibson and Mr Justice McCullough delivered concurring judgments.

Solicitors: Solicitor, Customs and Excise; Mr Iain Mason, Mold.

Returning abducted child

In re A (a Minor) (Abduction: Non-convention country)

Before Lord Woolf, Master of the Rolls, Lord Justice Ward and Lord Justice Mummery

[Judgment June 11]

Before ordering the peremptory return of an abducted child to a country which was not a party to the Hague Convention on the Civil Aspects of International Child Abduction (Cmnd 8281), an English court had to be satisfied that the child's welfare would be protected by the courts of that foreign country.

The Court of Appeal so held in a reserved judgment dismissing an appeal by the father of a child aged two against the decision of Mr Justice Singer on February 20 to refuse his application for a summary order that the child be returned to the United Arab Emirates, her country of habitual residence.

Mr Paul Focke, QC and Ms Sally Cahill for the father; Mr Michael Harrison, QC and Mr Roger Bickerdike for the mother.

LORD JUSTICE WARD said that the mother had submitted that, on an application for a peremptory return order to a non-convention country, the best interests of the child was the court's paramount consideration and therefore it was necessary that the court had regard to the way in which that issue was likely to be resolved in the competing jurisdiction.

The mother had referred to authorities since the Child Abduction and Custody Act 1985, which incorporated the convention into English law, and submitted that the thread linking them together was the common assumption that the foreign country would apply law and practice broadly comparable to ours.

The only authority which might be inconsistent with that view was *In re M (Minors) (Abduction: Peremptory return order)* (*The Times* November 20, 1995; [1996] 1 FLR 478) where Lord Justice Waite had said:

"Underlying the whole purpose of the peremptory order was a principle of international comity . . .

"Very exceptional circumstances would be needed to show that in a particular case the English court would be justified in departing from that general principle. No such grounds have been established here."

In the present case the judge, to much the same effect, had said: "The English court must act with comity towards the courts of other jurisdictions, accepting that different traditions in different cultures have their own value and that it is wrong and unacceptable for the English court to evaluate them comparatively in a way that would be critical."

The mother's submission was that:

1 The duty of the court was to determine the question by the test which made welfare the paramount, and therefore the dominant, consideration.

2 The court could not be satisfied that it was in the best interests of the child to return it to the court of habitual residence in order that that court might resolve the disputed question, unless that court was satisfied that the welfare test would apply in that foreign court.

3 Consequently, the court could not abdicate its responsibility simply by assuming that welfare would apply.

4 The choice of residence in the foreign country might imply the voluntary assumption of disadvantage, personal and judicial, by a parent but it did not justify the court in imposing any consequential detriment on the child.

5 While it might be necessary for the applicant for the peremptory order to show that comparability when inviting the court's assistance, nevertheless, since foreign law was presumed to be the same as the English law by virtue of the established rules of private international law, the practical result was that it would be for the respondent to adduce evidence of dissimilarity.

6 It was only when the court was satisfied that the child's welfare would be protected by the foreign court that the court could entrust the decision to that foreign court.

His Lordship found the logic of that submission compelling. *In re M* was an obstacle to easy adoption of it. However, the authorities before the advent of the 1985 Act seemed clearly to establish that it was an abdication of the responsibility and an abnegation of the duty of the court to the ward under its protection to surrender the determination of its ward's future to a foreign court whose regime might be inimical to the child's welfare.

If driven to it, his Lordship would reluctantly say that the decision of the Court of Appeal in *In re M* was decided per incuriam. It was perhaps not necessary to suffer that embarrassment because in the present case there was evidence of the law which would be applied in the Emirates.

The court's powers in the Emirates were limited and there was no indication that welfare was the test.

If the mother returned to the Emirates with the child, there was no power in the court there to permit her to return to England with the child if the father objected to that move, whatever the best interests of the child dictated.

The medical evidence showed that the risks to the mother's health, and consequently the child's care, by being locked into a life in the Emirates against her will took the case out of the ordinary.

Furthermore, the lack of judicial remedy to alleviate that hardship made the case very different from those where the court knew that the foreign court would be guided by the best interests of the child.

Consequently, his Lordship was persuaded that the ordinary need for the court of habitual residence to decide the child's future was not of sufficient benefit to outweigh the other risks inherent in return.

The Master of the Rolls and Lord Justice Mummery agreed.

Solicitors: Cranswick Watson, Leeds; Purser White Mackechnie-Jarvis, Cambridge.

Limited waiver of privilege

Gotha City v Sotheby's and Another

Before Lord Justice Staughton, Lord Justice Aldous and Lord Justice Hutchison

[Judgment June 19]

The waiver of privilege in respect of one party did not automatically mean the waiver of privilege in respect of the whole world.

The Court of Appeal so held in allowing an appeal brought by the second defendants, Cobert Finance SA, from the decision of Mr Nigel Baker, QC, sitting as a deputy judge of the Queen's Bench Division, on December 3, 1996 dismissing Cobert's appeal from Master Trench ordering them to disclose various documents to the plaintiff, the City of Gotha, on the ground that there had been a waiver of privilege since the documents in question had already been disclosed to the first defendant, Sotheby's.

Mr Bankim Thanki for Cobert; Mr Alexander Layton, QC and Miss Monica Carss-Frisk for the plaintiff; Sotheby's did not appear and was not represented.

LORD JUSTICE STAUGHTON said that there was a consolidated action pending in the Queen's Bench Division concerning the ownership of a painting "The Holy Family with Saints John and Elizabeth and Angels" by a minor Dutch Master, Joachim Wtewael.

It was currently in the custody of Sotheby's who held it on the instruction of Cobert, a Panamanian company who claimed to be the owner of the painting since March 1989 when they had bought it from a Mrs Mena Breslav. The rival claimants were the Federal Republic of Germany and the City of Gotha.

In the present case the order for discovery was very wide indeed and was unfortunately typical of the sort of orders sought under Order 24, rule 7 of the Rules of the Supreme Court.

The parts in dispute were as follows:

Paragraph 7 — Copies of letters, opinions or other documents whatsoever provided to Cobert by its legal advisers in which legal professional privilege had been lost by virtue of them having been copied to third parties, including the first defendant.

Paragraph 8 — Minutes or attendance notes of any meetings or telephone conversations between November 29, 1988 and March 30, 1992 between the Cobert, their legal advisers and third parties.

The ground of the judge's decision was that there had been a waiver of privilege since the documents or the information in them had been disclosed to Sotheby's by Cobert, and that that amounted to a waiver of privilege in relation to the whole world.

At the time of the hearing before the deputy judge, there were thought to be only two documents. The first was a letter dated November 5, 1990 containing legal advice and was certainly privileged when sent by the solicitors to Cobert.

However, it was argued that there had been a waiver of privilege when the letter was sent to Sotheby's. That raised a question under paragraph 7 of the judge's order.

The second document was minutes of a meeting which took place between Cobert, their solicitors and Sotheby's on November 14, 1990. The meeting was for the purpose of giving legal advice and it was agreed that it would have been privileged if only Cobert and the solicitors had been present but there was said to be a waiver of privilege since Sotheby's were present. That raised a question under paragraph 8 of the order.

The issue really amounted to whether the documents and information were disclosed to Sotheby's in confidence. While the disclosure of the documents and the meeting were not expressly agreed to be confidential, it appeared to his Lordship to be a plain inference that those communications were intended to be confidential.

In his Lordship's judgment, the right solution was to set aside the whole of paragraphs 7 and 8 of the order of the master and upheld by the judge.

Lord Justice Aldous delivered a concurring judgment and Lord Justice Hutchison agreed.

Solicitors: Herbert Smith; Frere Cholmeley Bischoff.

Recovering input tax for subsidiary services

Commissioners of Customs and Excise v Svenska International plc

Before Lord Justice Butler-Sloss, Lord Justice Auld and Lord Justice Aldous

[Judgment June 5]

Regulation 34 of the Value Added Tax (General) Regulations (SI 1985 No 886), allowing for recovery of input tax where a party used or appropriated for use a supply in an activity other than the making of taxable supplies, had to be read in the light of the whole scheme for the payment of VAT, from regulation 23 dealing with when continuous supplies were to be treated as made, to section 29 of the Value Added Taxes Act 1983, which treated what had been separate entities as one taxable group and, therefore, a change in use could be caused by the change of accounting provisions brought in by a change to VAT group status.

The Court of Appeal so held in allowing an appeal by the Commissioners of Customs and Excise against a decision of Mr Justice Carnwath setting aside an order of the London Value Added Tax Tribunal that the commissioners could recover by assessment input tax allowed to Svenska International plc.

Mr Nigel Pleming, QC for the commissioners; Mr David Milne, QC and Mr Rupert Baldry for Svenska.

LORD JUSTICE ALDOUS said that Svenska was a United Kingdom subsidiary of a Swedish bank which had set up a London branch in December 1989. When the London branch was formed it had no premises or staff and it was agreed that Svenska would provide all management services for which the London branch would pay.

The London branch was not resident in the UK and was not registered for VAT purposes. From August 1, 1991 the London branch was included in a VAT group with Svenska and Svenska was the representative member of the group for VAT purposes.

Up until July 31, 1991 Svenska had incurred input tax on expenditure in respect of services which were ultimately supplied to the London branch. The input tax was recovered as a credit in a manner agreed with the commissioners. The London branch was not invoiced for those services at the time they were supplied but in June 1992 after the London branch had become part of the VAT group.

The commissioners issued notices of assessment in respect of the input tax recovered by Svenska for services supplied to the London branch up to and including July 31, 1991. Those were the assessments disputed by Svenska.

The issue for decision was whether the commissioners could, by assessment, recover input tax credited to Svenska, correctly at the time, as tax incurred on goods and services which were to be used in providing management services to the London branch.

Regulation 34 had to be read as part of the scheme for the payment of VAT which provided the way that the tax had to be charged and paid. By necessity that did, in certain circumstances, require that things were to be treated as having occurred at times which did not coincide with what actually happened and that supplies should be disregarded or treated as made by persons who did not make them.

That interpretation meant that it had to be borne in mind that an event for VAT purposes was said to occur on a particular date but also that that date was one which was a deemed date for a particular purpose.

In the instant case it was accepted that credit was properly claimed because Svenska intended to make taxable supplies. It was also accepted that those taxable supplies were treated for VAT accounting purposes as not being supplied at the actual time of supply and that the actual date of supply for accounting purposes would be the date of invoice or payment.

That was the actual intention and therefore the time for payment had not arrived as of August 1, 1991. On August 1, 1991 Svenska and the London branch became a group with the result that a new accounting procedure became necessary. Section 29 provided that a supply by Svenska to the London branch had to be disregarded and any supply by the London branch was treated for VAT purposes as a supply by Svenska.

Svenska had claimed credit for an intended supply to the London branch which could never take place as such supplies had to be disregarded. The London branch had used the relevant costs make supplies to third parties and those supplies were for accounting purposes to be treated as made by Svenska.

It followed that for VAT accounting purposes the credit had been claimed in respect of an input attributed to an intended supply to the London branch which had never taken place. However, Svenska had used or at least appropriated for use the intended supplies to make exempt supplies to third parties.

In essence the change to group status altered the way that VAT had to be accounted for with the result that the supplies were considered as used or appropriated for use in making supplies that were in part exempt.

Solicitors: Solicitor, Customs and Excise; Beachcroft Stanley.

Jailing bankrupt justified

Regina v Mungroo

Before Lord Justice McCowan, Mr Justice Ognall and Mr Justice Sedley

[Judgment May 22]

A bankrupt defendant, against whom a judgment debt had been entered, who concealed assets and used them to pay personal debts, could expect to receive a custodial sentence, even if of previous exemplary character.

The Court of Appeal, Criminal Division, so held in dismissing an appeal by Ivan Kimble Mungroo against a sentence of two months imprisonment imposed on May 2, 1997 at Portsmouth Crown Court by Mr Recorder Martineau on his plea of guilty to fraudulent disposal of property contrary to section 357(3) of the Insolvency Act 1986.

Mr Peter R. Collins, assigned by the Registrar of Criminal Appeals, for the appellant.

MR JUSTICE OGNALL, giving the judgment of the court, said that in 1992 while the appellant was serving as a soldier in Germany he took out a loan to buy a car but did not keep up the repayments.

On August 1, 1994 judgment was entered against him in the sum of £18,337.53; on December 18, 1994, the loan company made a statutory demand for repayment and on February 22, 1995 a bankruptcy order was made.

As it turned out, in October 1994 the appellant, having had a long and excellent army career, left the service and received a gratuity of £31,000 in addition to his pension.

Neither the judge nor the judgment creditor was informed that he had received that gratuity which he used to pay off gambling debts and debts to members of his family and for an extension to the family home. The recorder, in passing sentence, observed as follows:

"Those who stand to gain from the release of bankruptcy but conceal their assets, try to have their cake and eat it, attack the whole basis on which the bankruptcy legislation is founded."

Their Lordships entirely agreed with and endorsed those observations.

Mr Collins invited the court to say that that offence did not cross the custody threshold but their Lordships wished it to be clearly understood that it certainly did and at the end of the day, notwithstanding all the mitigating features, of which proper and sufficient cognisance had been taken by the court in passing sentence, this offence demanded a custodial sentence.

The appeal was dismissed.

National Trust is empowered to fence its land

National Trust for Places of Historic Interest or Natural Beauty v Ashbrook and Others

Before Mr Justice Lindsay

[Judgment June 20]

Notwithstanding the broad duty under section 29(A) of the National Trust Act 1907 to keep National Trust common land as open space, the language of section 23 of the National Trust Act 1971 was clear and unambiguous and was wide enough, in an appropriate case, to empower the National Trust to erect fences.

Mr Justice Lindsay so held in a reserved judgment in the Chancery Division when granting declaratory relief in respect of an originating summons brought by the plaintiff, the National Trust for Places of Historic Interest or Natural Beauty, against the first, second, third and fourth defendants: Kate Ashbrook, Rodney Legg, David Beskine and Philip Aldis, members of both the National Trust and the Commons, Open Spaces and Footpaths Society each of which was a charity. His Lordship by way of a representation order bound others than the parties in the instant case.

Section 29 of the 1907 Act provides: "... there shall be imposed upon the National Trust with respect to any of the trust property which consists of common or commonable land the following duties and the National Trust shall (subject to the provisions of this Act) have with respect to the same property the following powers (namely):— (A) Except as this Act otherwise provided they shall at all times keep such property unenclosed and unbuilt on as open spaces for the recreation and enjoyment of the public:"

Section 23 of the 1971 Act provides: "(1) Subject to the provisions of this section, in addition to the powers conferred on the National Trust by section 29 (powers exercisable over certain trust property) of the Act of 1907, the National Trust shall have power with respect to any trust property to which that section applies to do anything appearing to the National Trust to be desirable for the purpose of providing, or improving, opportunities for the enjoyment of the property by the public, and in the interests of persons resorting thereto, and in particular:— (a) to provide or arrange for the provision of facilities and services for the enjoyment or convenience of the public, including meals and refreshments, parking places for vehicles, shelters and lavatory accommodation; (b) to erect buildings and carry out works."

Miss Sheila Cameron, QC and Mr Frank Hinks for the plaintiff; Mr David Ainger for the defendants.

MR JUSTICE LINDSAY said that the originating summons raised a question as to the extent of a power conferred by statute upon the National Trust as to whether, in certain circumstances, it was permitted to fence common land which it held.

Some members of the National Trust who were also members of the Open Spaces Society were disposed to oppose any fencing of the trust's common land even when other trust officers or members held it to be necessary.

In 1995 the Attorney-General suggested that the differences as to the true construction of the relevant statutes should be resolved by the issue of proceedings for declaratory relief. The issues raised were far from academic since as regards one common or group of commons where as far as the trust was concerned it was only the resolution of those issues which was delaying the erection of fences.

His Lordship emphasised as to the identity of the persons bound by his judgment and the order made therein, that no one was bound other than present and future members of the National Trust as such and that his judgment was concerned only with the relevant statutory powers to be described later in the judgment.

A person who, for example, was entitled to rights of common over the trust's common land or who asserted some other relevant right other than deriving from the provisions to be construed or otherwise than merely by way of his or her membership of the trust was not intended to be bound in any such other respect or capacity, whether or not he or she was also a present or future member of the trust.

The report *Royal Commission on Common Land 1955-1958* (Cmnd 462, 1958) noted that the last 50 years had seen a sharp decline in the use of commons for grazing due to a large extent to the advent of the car. Without systematic grazing vegetation changed where-by turf gave way to scrub, thicket and forest.

The concern in that report was still present and if anything exacerbated. Common land owned by the trust on the Quantock Hills where fencing had been proposed by the trust was resisted, inter alia, by the four defendants in their capacities as members of the trust and was resisted also by the Open Spaces Society.

A report by an inspector following a public local inquiry in 1994 as to the proposed erection of the fence proposed concluded, inter alia, that the open heathland was being lost to scrub due to understocking. The proposal considered by the inspector included the provision of 15 gates and stiles.

He held that the proposals represented no practical impediment to entry by the public. It could be argued that so far from harming them fences could in some circumstances preserve the natural aspects of the land fenced.

As for the law relating to fencing on or about commons before statutes intervened, the position was far from clear. Mr Ainger relied on there being what he called the rule in *Arlett v Ellis* ((1827) B & C 346) namely, that a commoner had a right to throw down any fence he found on common land.

His Lordship after reviewing that argument held that no unqualified rule emerged from that case such that any commoner might uproot that fence by way of abatement.

His Lordship said he was chiefly concerned with section 23 of the 1971 Act and section 29 of the 1907 Act both of which were private Acts. Miss Cameron argued that the duty in section 29(A) of the 1907 Act was one which was: "Except as this Act provided". Also other paragraphs of section 29 qualified or encroached upon the paragraph (A) duty.

Miss Cameron also drew attention to the great width of power in section 23 of the 1971 Act "to do anything appearing to the trust to be desirable" for the purposes there specified.

The word "works" in section 23(1)(b) had a wide meaning and extended beyond the erection of a building or a shed. Section 23 inescapably encroached further upon the broad duty under section 29(A) to keep trust common land as open space than had section 29(B) and (D) of the 1907 Act.

The trust's case was thus a simple and attractive one: the erection of a fence on a common would be works carried out. If that was bona fide seen to be to be desirable by the trust to provide or improve opportunities for the enjoyment of the common by the public then the trust was empowered to erect that fence by section 23(1) which empowered it "to do anything" as there described. Not every fence would impede or prevent access by the public to trust property: consider *Hambledon RDC v Hinds* ([1968] 19 P & CR 212, 218).

Miss Cameron emphasised that the instant proceedings represented no attempt to avoid the consent of the secretary of state or the use of public inquiries where such was required but rather to determine upon the construction of the relevant statutes. At first blush the trust's case was difficult to resist.

Mr Ainger drew his Lordship's attention to cases showing that in cases of ambiguity, private Acts such as those of 1907 and 1971 should be construed against the promoter, here the National Trust: see *Altrincham Union Assessment Committee v Cheshire Lines* ([1885] 15 QBD 597, 603).

However, Lord Esher was there referring to a case where the private Act was "obtained by persons for their own benefit". By contrast section 23 was promoted by a body whose purposes looked to the public good rather than its own profit.

Second, the citation went on to make the point that where the construction was perfectly clear there was no difference between the modes of construction. In the instant case no relevant ambiguity was to be found.

Although Mr Ainger submitted that the legislative purpose of the 1907 and 1971 Acts should be kept in mind, his Lordship did not understand there to be any such relevant purpose behind section 23, a provision plainly directed towards the improvement of opportunities for the enjoyment of Trust common land by the public, which obliged or encouraged him to depart from the ordinary meaning of the words used in the section.

Mr Ainger argued that in section 194 of the Law of Property Act 1925 Parliament showed that when it meant to refer to fences it did so expressly, that the provisions of of section 194(1) were so akin to those of section 23(2) of the 1971 Act that it must be taken that the 1925 Act was being used as a model for the 1971 provision and that it was thus significant that the word "fence" in the 1925 model was dropped from the 1971 formulation.

His Lordship did not find that approach helpful: the 1971 provision had to be construed by reference to the language used not the language not used. Neither did Mr Ainger's reference to section 9(3) of the Countryside Act 1968 assist on the true construction of section 23.

There was no reason not to accept the trust's submission. He was not concerned with the facts relating to any particular fence or wall on, the trust's common land nor would his decision deprive any commoner of any right to object to any particular construction.

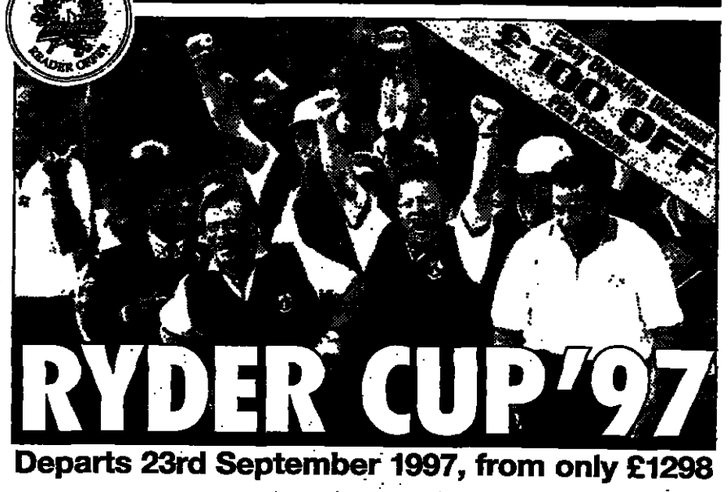
Nor would his order deprive any member of the public of his or her right to object to any particular work save in the case where the objection was only to the technical vires of the trust and where he or she was a member of the trust and objected as such.

Although the court should approach declaratory relief of a general nature with some caution it was right, in his Lordship's discretion, both to grant relief of such a nature and, by way of a representation order, to bind others than those before him.

Accordingly, he declared that upon the true construction of section 29 of the 1907 Act and section 23 of the 1971 Act and subject first to its bona fide appearing to the trust to be desirable for the purpose of providing or improving opportunities for the enjoyment of the property by the public and in the interests of persons resorting thereto within the meaning of section 23(1) and, second, to the consent of the Secretary of State for the Environment being duly obtained under section 23(2) where access by the public to any such property would thereby be prevented or impeded, the trust had power to carry out fencing, walling or similar works intended to stand for a long term on the whole or any part of any trust property to which section 29 of the 1907 Act applied whether or not the same enclosed such property.

Solicitors: Winkworth & Pemberton; Brooke North & Goodwin, Leeds.

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GOLF: DEFENDING IRISH OPEN CHAMPION KEEPS EYES ON THE PRIZE

Montgomerie gets the buzz

FROM JOHN HOPKINS, GOLF CORRESPONDENT, IN DUBLIN

THE professional golf season in Europe has reached its midway point somewhat bedraggled and with shoes squelching after the wettest June since the days of hickory shafts, yet there has been no dampening of spirits raised by the prospect of watching many of the world's best golfers compete in tournaments in Ireland and Scotland over the next three weeks. There is a buzz in British sport and notwithstanding the fact that the golf action this week centres on the Murphy's Irish Open, 20 miles south of Dublin, this buzz is evident in golf, too.

This is what politicians call the "feel-good" factor. It is due, in part, to Colin Montgomerie's performance in the US Open last month, in part to the reflected glory from the success of tennis players at Wimbledon and the British Isles rugby team in South Africa and also to the mouth-watering prospect of the Ryder Cup, which is now less than three months away.

"It's great the success that British sportsmen are having at the moment," Montgomerie said. "The British Lions were fantastic. What they have achieved away from home has been fantastic."

Montgomerie watches sport on television not only because he enjoys it but because he likes to see how other leading competitors conduct themselves. "It is good for me," Montgomerie, who is a tennis enthusiast and shares the same management company as Tim Henman, said. "You can learn from watching others and I can apply it to my own game."

Montgomerie is the defending champion here at Druid's Glen and he gives the course high marks for its condition and the degree of difficulty it offers. "This is Ireland's biggest international sporting event and it is taking place among a good field on a quality golf course. That is good to see — and I am in a good frame of mind."

This is an important three weeks for Montgomerie. Next week comes a tournament at Loch Lomond that has attracted a stellar field to a magnificent golf course north of Glasgow and the week after is the Open Championship at Royal Troon, the course that Montgomerie knows best in the world. His father, James, will retire as secretary there after the Open.

STANDINGS

Psn	Player (country)	Points
1	C Montgomerie (Scot)	686,041.92
2	I Woosnam (Wales)	458,365.82
3	D Clarke (N Ire)	410,338.64
4	B Langer (Ger)	364,027.96
5	L Westwood (Eng)	321,732.72
6	P-U Johansson (Swe)	318,255.30
7	M A Martin (Spl	217,054.66
8	T Bjorn (Den)	299,914.85
9	C Rocca (It)	291,393.47
10	P Broadhurst (Eng)	290,844.68
11	J M Olazabal (Spl	223,470.42
12	S Torrance (Scot)	214,707.57
13	I Garrido (Sp)	212,801.22
14	P Mitchell (Eng)	198,218.07
15	M James (Eng)	185,375.86
16	R McFarlane (Scot)	184,696.29
17	D Gilford (Eng)	181,120.85
18	P Harrington (Ire)	178,971.83
19	J van de Velde (Fr)	178,866.22
20	R Chapman (Eng)	176,067.00

Montgomerie and the Irish Open are a natural partnership, but there is no such harmony between Montgomerie, who has missed the cut at four of the last five Opens, and the game's oldest championship. As Troon approaches and the pressure on him increases, he is visibly erecting his defences. "No Troon questions, please," he said. "I don't want to be thinking about Troon until I get there."

It is rare, these days, for Nick Faldo to be present at three successive events in Europe. His sights are set on the Open and he has begun his preparations with thoroughness. Since returning to these shores after the US Open, he has played at Royal County Down, in Northern Ireland, and Royal St George's, Sandwich, to reacquaint himself with links golf.

"Hitting a ball in the wind woke me up," Faldo said. "In the US, you cut your shots into the wind. Here, you have to aim ten yards to the right of the target and *cut* the ball."

Faldo also hopes that, by playing well these next three weeks, he will boost his position in the Ryder Cup points table. At present, he lies 26th and after the Open he will compete in only one more counting event, the US PGA. There is no likelihood of Faldo being left out of the team, but Severiano Ballesteros, the Europe captain, would prefer he won his place on merit rather than relying on one of the captain's two selections. A win in the Irish Open, which would be Faldo's fourth, would be a big step in the right direction.

BARRY GREENWOOD



Hodgson acclimatises at Ewood Park yesterday before taking up his managerial responsibilities

FOOTBALL

Hodgson strikes quickly with bid to enlist Dahlin

BY PETER BALL AND RUSSELL KEMPSON

THREE months after accepting the job, Roy Hodgson finally took over as manager of Blackburn Rovers yesterday. He wasted little time in making his presence felt, forecasting the early arrival of Martin Dahlin, the Sweden striker, and registering an interest in Paul Ince.

Dahlin is expected to join Blackburn within the next few days for a fee of about £2 million. Dahlin, who has scored 27 goals in 51 appearances for Sweden, is registered with AS Roma, but spent most of last season on loan in Germany with his former club, Borussia Mönchengladbach, who also want to sign him.

Hodgson, however, is confident of getting his man, having had a strong influence on Dahlin's early career at Malmö. "We're very close to an agreement, we've already had permission to talk to Martin and I think he'll be a very interesting signing," Hodgson said. "He's 29 and at the height of his powers. He has many good years left and has accumulated some excellent experience in the five years since he left Sweden."

Of Blackburn's ambitions, Hodgson said: "Our target is to get into the Uefa Cup this season. I wouldn't have come if Jack Walker [the club's owner] and Robert Coar [the chairman] had not convinced me that they still have the ambition and the commitment to regain Blackburn's place as a leading Premiership club."

The signing of Ince, who played for Hodgson at Internazionale last season, would help, but although Hodgson has told Massimo Moratti, the Inter president, that he would like Ince if the player decided to leave Italy, he seems likely to be too late. Ince was having talks with Liverpool yesterday and is still expected to join the Merseyside club.

Dean Sturridge, whose 14 goals last season helped Derby County to retain their FA Carling Premiership status, has asked for a transfer. Derby have agreed to his request, but will be looking for a fee of about £7 million before he is allowed to leave. Sturridge, 23, feels that he needs a bigger stage, even though Derby will play in a new 30,000 all-seat stadium from next month.

Middlesbrough reiterated yesterday that they had yet to receive a written bid from Atlético Madrid for Juninho, their Brazil midfield player. Despite claims from Atlético that they had made an improved offer of £12.5 million and that the player had agreed to sign for them, Middlesbrough maintained that they had accepted only Tottenham Hotspur's valuation of £11 million.

"At the moment, it's immaterial whether any other bids have come in from anywhere else," Keith Lamb, the Middlesbrough chief executive, said. "If Spurs can reach agreement with Juninho, he will be their player."

Andy Johnson, the Norwich City midfield player, completed a £2.2 million move to Nottingham Forest yesterday, while Ceri Hughes, the Luton Town midfield player, is expected to join Wimbledon today for £750,000 if he passes a medical examination.

Ireland bowed out of the world youth championship in Malaysia yesterday when they were beaten 1-0 by Argentina, the champions, in the semi-finals. Uruguay will be Argentina's opponents in the final.

FOR THE RECORD

ATHLETICS

CHERBOURG, France: Jean Humbert Cup schools International: Boys: 1, South Africa 800pts; 2, France 757; 3, England 715; 4, China 697; 5, Algeria 694; 6, Spain 676. Girls: 1, South Africa 792; 2, France 740; 3, Spain 725; 4, China 698; 5, Slovakia 684; 6, England 662.

BASEBALL

INTER-LEAGUE GAMES: Montreal (National League) 2 Toronto (American League) 1; Chicago Cubs (NL) 6 Kansas City (AL) 1; Anaheim (AL) 4 Colorado (NL) 1; Oakland (AL) 8 San Diego (NL) 6, Seattle (AL) 15 San Francisco (NL) 4; Boston (AL) 9 Florida (NL) 2; Detroit (AL) 8 New York Mets (NL) 6; Baltimore (AL) 4 Philadelphia (NL) 1; Cincinnati (NL) 9 Milwaukee (AL) 1; Atlanta (NL) 3 New York Yankees (AL) 1; Pittsburgh (NL) 3 Chicago White Sox (AL) 0; Cleveland (AL) 8 Houston (NL) 6, St Louis (NL) 2 Minnesota (AL) 0; Los Angelas (NL) 8 Texas (AL) 3.

BASKETBALL

EUROPEAN CHAMPIONSHIP: Group E (in Gerona): Greece 85 Israel 82; Turkey 82 France 71, Russia 93 Lithuania 64. Group F (in Badalona): Poland 86 Germany 76; Yugoslavia 79 Spain 70; Italy 74 Croatia 68.

BOWLS

WORTHING: British championships: Team: Wales bt Scotland 137-104 (Wales skips first, D Wilkins bt G Robertson 28-8; W Thomas bt J Aitken 22-18; J Price bt W W Wood 27-18, R Weale bt R Corsie 29-15; S Wiltshire lost to G Adrain 14-22, M Anstey lost to A Marshall 17-23); Ireland bt England 117-94 (Ireland skips first, S Allen bt L Miller 29-11; P Smyth bt D Ward 22-10; G Scott bt A Allcock 19-13; N Graham lost to A Thomson 14-23, G McCloy bt D Denison 20-15; E Parkinson lost to D Cutler 13-22). Singles: Final: J Henry (Ire, Portrush) bt D Williams (Wales, Pontrhydyfen) 21-6. Junior singles: Final: N Collett (Wales, Penylan) bt M Greenfield (Ireland, Dunbarton) 21-15. Pairs: Final: Scotland (A Gilmour and G Mackie, Kircaldy West End) bt England (P Maddox and R Stanley, Bankhouse Hotel, Worcester) 28-11. Triples: Final: Ireland (P Daly, B Daly and D Hamilton, Belmont) bt Wales (Jonathon Britton, John Britton and B Powell, Pontrhydyfen) 17-16. Fours: Final: Wales (B S D and R Weale, Penylan) bt Ireland (M Stewart, H and M McHugh and W Keys, Whitehead) 20-13

CRICKET

MINOR COUNTIES CHAMPIONSHIP: First day of two: Toll: Cheshire v Devon No play, rain. Second day of two: Jesmond: Northumberland v Suffolk. No play, rain — match abandoned

AON RISK TROPHY: Bradford: Yorkshire 182-4 (C A Chapman 88 not out); Durham 175-5 (S Hutton 67). Yorkshire win by seven runs. Bristol: Somerset 159-6 (M E Trescothick 58), Gloucestershire 162-3 (N J Trainor 77 not out) Gloucestershire win by seven wickets. Cheam: Kent 169-8 v Surrey. Match abandoned as a draw.

FOOTBALL

MALAYSIA: World youth championship: Semi-finals: Uruguay 3 Ghana 2 (at Shah Alam); Argentina 1 Ireland 0 (at Kuching).

GLIDING

ST AUBAN, France: World championships: Leading positions: Standard class: Second day (273km, five legs, 39 completions of 49): Equal 1, B Salen (Hol) 111.85kph and D Jacobs (USA) 111.84, 779pts; 3, H Wass (Ger) 109.6, 748; 4, J Walker (US) 109.3, 745; 5, J Kozar (Slovakia) 108.9, 739; 6, A Davis (GB) 108.8, 738; 9, B Spreckley (GB) 107.5, 725. Overall: 1, Jacobs 1,418pts; 2, Salen 1,396; 3, P Hartmann (Austria) 1,371. 15m: First day (312km, five legs, 32 completions of 33): 1, L Goudriaan (SA) 113.1, 905; 2, G Galetto (It) 113, 902; 3, E Napoleon (Fr) 111.6, 881; 4, G Naves (Fr) 111.5, 880; 5, S Raimond (Hol) 110.6, 867; 6, G Ilmer (US) 110.5, 865, equal 17, J Wills (GB), S Jones (GB), A Key (GB) 98.1, 678. Open: First day (350km, six legs, all 18 completed): 1, D Schwank (Ger) 119.95, 986; equal 2, R Schroeder (Ger) and J Anderson (Den) 116.9, 918; 4, R Tabory (US) 115.7, 898; 5, H Brelsohl (Den) 115.2, 892; 6, E Moore (US) 114.1, 872; 8, R May (GB) 112.4, 844; 10, P Jones (GB) 111.3, 827

GOLF

BELTON WOODS: European Challenge Tour event: Leading two-round scores (all Great Britain): 136: S Andrew 69, 67. 138: R Allaboone 73, 65; S Dodd 70, 68. 139: C Evans 72, 67; L Vannet 68, 71. 141: C Cowper 73, 68; S MacPherson 71, 70; P Lyons 71, 70. 142: S Armstrong 72, 70; M Roberts 70, 72; A Tillman 74, 68; D Thomson 72, 70; N Wichelow 75, 67; S Thompson 70, 72; R Wragg 73, 69.

HOCKEY

SEOUL: Telecom Cup: Holland 3 Argentina 0; South Korea 3 Canada 2; Great Britain 1 Australia 1.

RUGBY UNION

Tour matches

US South XV	3	Wales XV	94

United States South Representative XV: Dropped goal: De Kock. Wales XV: Tries: G Wyatt (4), James (3), Morgan (2), Jarvis (2), S Moore, C Wyatt, G Thomas. Conversions: Jarvis (12).

NELSPRUIT, South Africa: Mpumalanga 24 Scotland XV 21

SAILING

BT GLOBAL CHALLENGE: Sixth leg: Boston to Southampton (positions at 14:00GMT yesterday, with miles to Southampton): 1, 3Com 2,550; 2, Toshiba Wave Warrior 2,557; 3, Concert 2,557; 4, Group 4 2,558; 5, Motorola 2,559; 6, Save The Children 2,559; 7, Nuclear Electric 2,560; 8, Commercial Union 2,561; 9, Ocean Rover 2,582; 10, Coursaulds Int 2,584; 11, Global Teamwork 2,564; 12, Heath Insured II 2,586; 13, Pause To Remember 2,570; 14, Time & Tide 2,581.

SHOOTING

BISLEY: Services championships: Royal Air Force: Ledger Cup (pistol championship): 1, Sgt J Proctor (Correct) (Bruggen) 358; 2, F/Sgt C Webb (North Lutterworth) 357; 3, Cpl S East (Brize Norton) 346. Halahan Cup (Tyro): 1, Cpl C Chadd (Scotland) 288; 2, FAI K McNaughton (Aldergrove) 286; 3, Sgt P Lovett (St Athan) 282. Royal Navy and Royal Marines Queen's medal (placings after stage three): 1, WO T Sands (RM) 588; 2, CpLR Osborne (RM) 578, 3, AEM Treadwell (RN) 570.

KINGSBURY: Midland Counties "Birmingham Blakey": Grand aggregate: 1, P Johnson (Kidderminster) 322.48pts; 2, M Wood (Wolverhampton) 322.44; 3, R Bis (Wandsworth) 226.93, Queen Elizabeth II Coronation Prize: Stage one: Ellis 100.18. Stage two: Johnson 149.21. Stage three: Johnson 321.48.

KOUVOLA, Finland: European clay pigeon championships: Double trap: 1, R Dalkis (GB) 197pts; 2, R Kauppila (Fin) 196; 3, D Diepigno (It) 186. Olympic trap: 3, I Peel (GB) 144. Skeet: 1, A Andreou (Cyp) 147; 2, A Austin (GB) 147 (after tie). Junior Skeet: 1, D Harvey (GB) 145. Women: 3, S Bramley (GB).

SPEEDWAY

AMATEUR LEAGUE: St Austell 44 M4 Raven Sprockets (Reading and Swindon) 34.

TENNIS

YOULL CUP: Quarter-finals: Millfield bt St George's 2-0; King Edward's, Birmingham bt Colston's 2-1; Repton bt Charterhouse 2-0; Sevenoaks bt Haberdashers' Aske's 2-0.

VOLLEYBALL

MOSCOW: World League: Finals: Cuba 3 Brazil 0; Russia 3 Bulgaria 2; Holland 3 Italy 1; Cuba 3 Bulgaria 2; Holland 3 Russia 2; Italy 3 Brazil 0.

POOLS DIVIDENDS

LITTLEWOODS: Treble chance: 24pts £9,483.85, 23 £127.40, 22 £9.20, 21 £3.65. Half-time result (21pts, maximum) £1,059.30. Four draws £7.10, 10 homes £4.60, 5 aways £77.50.

VERNONS: Treble chance: 24pts £3,427.70, 23 £60.40, 22 £3.40.

ZETTERS: Treble chance (three dividends only): 24pts £552.75, 23 £9.00, 22 £0.75. Three draws £2.00; Eight homes £1.40; 6 aways £133.20.



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RACING: MOOD OF RECONCILIATION LEADS ROA TO ENTER DIALOGUE FOR IMPROVED FUNDING

Owners seek better relations with courses

BY RICHARD EVANS, RACING CORRESPONDENT

THE first public sign that racing's diverse and often warring factions may be prepared to forget their differences and concentrate on the sport's best interests emerged at the annual meeting of the Racehorse Owners Association (ROA) in London yesterday.

Too often the ROA gathering is an excuse for internal bickering, settling old scores and giving vent to well-worn prejudices. Only 12 months ago, Lord Wakeham, chairman of the British Horseracing Board (BHB), and Peter Savill were involved in a typically unedifying exchange.

However, a much-needed wind of change appears to be blowing through racing's corridors of power and yesterday owners concentrated on the sport's long-term problems and objectives, while their leaders disclosed a thaw in relations with Britain's 59 racecourses.

The enmity which has tended to exist between the two groups is borne out of a belief by owners that racecourses contribute little to prize-money totals and profit at their expense, with the help of a generous levy subsidy. Owners also look enviously at the way racecourses receive £12 million a year from SIS for the right to beam pictures of races into the nation's betting shops.

The media rights for such pictures, it has been argued, should belong to owners of the performing horses rather than the tracks and there have been dark mutterings of legal challenges and court action.

However, after a series of informal meetings, involving racecourses, owners, breeders and trainers, a distinctively more co-operative mood is now prevalent. The appearance of Angus Crichton-Miller, the new chairman of the Racecourse Association (RCA), as guest speaker at yesterday's annual meeting and the reception he received, was testimony to the new relationship.

He quickly won over his audience by aligning himself with the progressives within racing, who believe the sport needs "radical solutions" and the injection of a further £100 million in revenue.

On the thorny issue of *media rights, he said exploitation* was the key issue rather than who owned them. "Everyone will have a view as to whether they have been exploited well in the past."

Peter Savill, the incoming president of the ROA, reciprocated the change in attitude by distancing himself from those who believed racecourses did not put sufficient cash into *prize-money and should face a* legal challenge over ownership of media rights.

"The key alliance in racing is the one between the racecourses and the owners so we can solve all these problems by sitting down and having a dialogue and working towards the common good of racing," he said.

If the new partnership forged between racecourses and the sport's other key groups flourishes, the implications are considerable, not least when the present SIS contract expires in 2002.

Savill added: "We all have a common goal to try to improve the funding of racing. We should not be involved in a tug of war. There has been too *little dialogue* between key organisations in the past."

The success of recent behind-the-scenes talks casts further doubt on the role of the BHB's industry committee, chaired by Matthew McCloy. Several BHB members would like to see its wings clipped.

Gerald Leigh, a leading owner-breeder, commented: "The four new members on *the BHB — Peter Savill*, Angus Crichton-Miller, Rhydian Morgan-Jones and Andrew Parker-Bowles — will make a tremendous difference to the way things happen. The industry committee should be just an advisory body, while the board gets on and leads."

RICHARD EVANS

Nap: ZAMHAREER (2.50 Carrick)

Next best: Snow Kid (3.00 Folkestone)



Savill believes there is a common goal to improve funding

CATTERICK

THUNDERER

2.20 Shirleys Girl. 2.50 Zamhareer. 3.20 Walkabout. 3.50 High Spirits. 4.20 Sharp 'N' Shady. 4.50 William's Well.

GOING: GOOD TO SOFT SIS
DRAW: 5F-7F, LOW NUMBERS BEST

2.20 SAINT-CLOUD SELLING STAKES
(2-Y-O: £2,303: 5f) (15 runners)

1 005 ANGRY ALBERT 10 (V) C Smith 8-11 ..... C Lowther (7) 11
2 5 BOCCOLINO 24 T Barron 8-11 ..... R Lappin 1
3 0504 GENERAL JOEY 7 (B) M Dods 8-11 ..... P Roberts (5) 6
4 0060 HAYBURNER 6 M W Easterby 8-11 ..... T Lucas 14
5 0515 WILFRED SHERMAN 53 (D) J Berry 8-11 ..... P Fessey (3) 12
6 300 BEECHWOOD QUEST 6 (D) B Rothwell 8-6 ..... L Charnock 4
7 00 CANDY TWIST 21 Ron Thompson 8-6 ..... J Bramhill (5) 7
8 5 DISPOL EMERALD 15 S Kettlewell 8-6 ..... J Fortune 13
9 00 E B TREASURE 7 N Bycroft 8-6 ..... D Holland 10
10 0533 ORIEL GIRL 10 (V) P Evans 8-6 ..... J P Egan 15
11 330 SEA IMP 72 (BF) M Meade 8-6 ..... R Brisland (7) 2
12 00 SHARP PET 53 (B) D McCain 8-6 ..... B Duffield 3
13 0 SHIRLEYS GIRL 6 W Storey 8-6 ..... N Kennedy 8
14 665 TALAHEART 6 (B) C Allen 8-6 ..... J D Smith (3) 9
15 25 TURF MOOR 45 (B) J J O'Neill 8-6 ..... J Carroll 5

7-2 Boccolino, 4-1 Oriel Girl, 5-1 Wilfred Sherman, 13-2 Turf Moor, 7-1 Beechwood Quest, Sea Imp, 14-1 General Joey, 16-1 others.

2.50 TURMERIC HANDICAP
(£2,940: 1m 7f 177yd) (7)

1 1212 HASTA LA VISTA 10 (B,C,D,F,G,S) M W Easterby 7-9-10 ..... L Dettori 6
2 0/00 GYMCRAK TIGER 54 (B,G) C Holmes 7-9-8 ..... J Fortune 2
3 6104 DURGAMS FIRST 7 (C,F,G) Mrs M Reveley 5-9-6 ..... C Lowther (7) 1
4 562- KARAYLAR 309 W Storey 5-9-2 ..... J Fanning 7
5 0403 ZAMHAREER 10 (D,G) W Storey 6-9-1 ..... Iona Wands (5) 4
6 6514 TANCRED MISCHIEF 3 (D,F,G) D Barker 6-8-12 ..... Jenny Benson (7) 5
7 /050 GYMCRAK CYRANO 12 (F,G) N Chamberlain 8-8-4 ..... N Kennedy 3

13-8 Hasta La Vista, 7-2 Tancred Mischief, 4-1 Durgams First, 7-1 Karayler, 10-1 Zamhareer, 12-1 Gymcrak Tiger, Gymcrak Cyrano.

3.20 CHANTILLY RATING RELATED MAIDEN STAKES (3-Y-O: £2,511: 1m 5f 175yd) (4)

1 0046 WALKABOUT 19 B Hills 9-0 ..... D Holland 1
2 -502 WELLCOME INN 3 J O'Reilly 9-0 ..... J O'Reilly 4
3 40-0 ITATTINGA 48 M Stoute 8-11 ..... G Duffield 2
4 0643 QUEST FOR BEST 13 (V) J Gosden 8-11 ..... L Dettori 3

6-4 Quest For Best, 9-4 Walkabout, 5-2 Wellcome Inn.

3.50 LONGCHAMP HANDICAP
(3-Y-O: £4,003: 7f) (13)

1 0-32 LITERARY 12 J Gosden 9-7 ..... L Dettori 8
2 0005 BARITONE II J Watts 9-3 ..... G Duffield 7
3 -040 GRATE TIMES 13 (C,D,S) E Weymes 8-11 ..... Dale Gibson 2
4 1042 MUSCATARA 8 (C,D,S) B Hills 8-10 ..... D Holland 11
5 0053 THREE FOR A POUND 14 (C,S) J Given 8-9 ..... J Fortune 1
6 -053 HULAL 12 A Stewart 8-8 ..... J Carroll 3
7 3006 WAGGA MOON 12 (D) J O'Neill 8-6 ..... C Lowther (7) 12
8 55-0 TAZIBAR 17 (S) D Morley 8-4 ..... J F Egan 5
9 3141 HIGH SPIRITS 10 (B,CD,F,S) T Easterby 8-4 (6ex) L Charnock 9
10 00-0 RUSSIAN ASPECT 14 M W Easterby 8-2 ..... T Lucas 6
11 0060 TREASURE HILL 42 D Chapman 7-10 ..... P Fessey (3) 4
12 0600 DR WOODSTOCK 12 M Meade 7-10 ..... R Brisland (7) 10
13 0066 HI MUJTAHID 7 S Kettlewell 7-10 ..... W Kennedy 13

3-1 High Spirits, 7-2 Literary, 5-1 Muscatara, 7-1 Hulal, 8-1 Grate Times, 12-1 Baritone, Russian Aspect, 14-1 others.

4.20 DEAUVILLE LIMITED STAKES
(£2,511: 7f) (7)

1 5321 TERDAD 3 (D,S) T Barron 4-9-0 ..... J Carroll 3
2 - 0-00 DUMMER GOLF TIME 27 (V,BF,D,F) Lord Huntingdon 4-8-11 ..... L Dettori 7
3 6520 LEGAL ISSUE 26 (CD,F,G,S) W Haigh 5-8-11 ..... R Lappin 5
4 0413 SHARP 'N' SHADY 5 (BF,D,S) C Wall 4-8-11 ..... G Duffield 6
5 4020 STATOYORK 12 (D,F) B Hills 4-8-11 ..... D Holland 1
6 50-0 KISSEL 16 (S) S Kettlewell 5-8-8 ..... J Fortune 2
7 0020 OHNONOTASAIR 22 L Lloyd-James 5-8-8 ..... Kim Tinkler 4

5-2 Dummer Golf Time, 3-1 Terdad, 7-2 Sharp 'N' Shady, 4-1 Statoyork, 5-1 Legal Issue, 20-1 Kissel, 25-1 Ohnonotasair.

4.50 AUTEUIL HANDICAP
(3-Y-O: £2,940: 5f 212yd) (7)

1 0623 TWO ON THE BRIDGE 12 D Smith 9-7 ..... C Lowther (7) 2
2 1541 RUM LAD 7 (CD,F) J J Quinn 9-5 (7ex) ..... J Lowe 4
3 3502 PRINCE OF PARRIES 10 (B) J Berry 9-4 ..... P Roberts (5) 6
4 5112 WILLIAM'S WELL 7 (B,BF,C,F,G) M W Easterby 9-1 ..... L Dettori 5
5 -332 DONNA'S DANCER 15 (D) N Tinkler 8-13 ..... Kim Tinkler 3
6 3660 PROMINENT 10 Mrs V Aconley 8-12 ..... M Dwyer 7
7 0412 KING UNO 7 (V,BF,D,G) Mrs J Ramsden 8-5 ..... J Fortune 1

5-2 King Uno, 3-1 William's Well, 4-1 Rum Lad, 5-1 Prince Of Parries, 6-1 Two On The Bridge, 12-1 Donna's Dancer, 25-1 Prominent.

COURSE SPECIALISTS

CATTERICK: Trainers: B Hills, 19 winners from 47 runners, 40.4%, J Glover, 4, from 12, 33.3%, N Tinkler, 5 from 24, 20.8%, Mrs M Reveley, 19 from 103, 18.4%, C Wall, 4 from 22, 18.2%, M Stoute, 3 from 17, 17.6%. Jockeys: J Egan, 6 winners from 23 rides, 26.1%, D Holland, 5 from 29, 17.2%; J Carroll, 25 from 160, 15.6%; J Fortune, 16 from 110, 14.5%; P Fessey, 5 from 46, 11.1%, R Lappin, 4 from 39, 10.3%.

YARMOUTH: Trainers: B Hills, 10 winners from 39 runners, 25.6%, H Cecil, 21 from 88, 23.9%; D Loder, 11 from 50, 22.0%; M Channon, 8 from 41, 19.5%; M Bell, 15 from 80, 18.8%, L Cumani, 12 from 64, 18.8%. Jockeys: Pat Eddery, 17 winners from 79 rides, 21.5%, K Fallon, 4 from 19, 21.1%; R Hills, 31 from 148, 20.9%; J Stack, 6 from 33, 18.2%; W Ryan, 22 from 123, 17.9%; Emma O'Gorman, 5 from 29, 17.2%.

YARMOUTH

THUNDERER

2.00 Faith Alone. 2.30 Fiveo'clock Shadow. 3.00 Imroz. 3.30 Karinska. 4.00 TROJAN HERO (nap). 4.30 Mazboon. 5.00 Bellas Gate Boy.

Private Handicapper's top rating: 4.30 MAZBOON.

Our Newmarket Correspondent: 3.00 SNOW KID (nap). 3.30 Listed Account. 4.30 Mazboon.

GOING: GOOD TO SOFT DRAW: NO ADVANTAGE SIS

2.00 FRED ARMSTRONG HANDICAP
(£3,278: 6f 3yd) (10 runners)

1 (2) -415 FAITH ALONE 10 (BF,D,F,S) C Wall 4-10-0 R Mullen (5) 91
2 (3) -066 WILD PALM 9 (V,C,G,S) W O'Gorman 5-10-0 Emma O'Gorman 90
3 (5) -000 OBERON'S DART 12 P Makin 4-10-0 S Sanders 85
4 (6) 0-01 DON PEPE 22 (CD,F,G,S) R Bass 6-9-10 K Fallon 95
5 (1) 2522 NEVER THINK TWICE 3 (B,BF,D,F) N Ivory 4-9-7 Martin Dwyer (3) 94
6 (8) -000 SHAMINSKY 29 P Howling 4-8-12 ..... Paul Eddery 95
7 (10) 0600 SHARP RETURN 31 (D,S) M Ryan 3-8-9 W Ryan 93
8 (9) 0001 ARNIE 13 (B,D,S) J Poulton 5-8-4 ..... Aimee Cook (5) 95
9 (7) 0005 ASTRAL INVADER 14 (D,F,S) M Saunders 5-8-1 J Quinn 88
10 (4) 0/0- ETERNALLY GRATEFUL 365 N Ivory 4-7-10 S Carson (7) –

5-2 Don Pepe, 4-1 Faith Alone, Never Think Twice, 13-2 Wild Palm, 7-1 Aimee, 10-1 Oberon's Dart, Astral Invader, 14-1 others.

2.30 DUNSTON SELLING STAKES
(2-Y-O: £2,406: 6f 3yd) (11)

1 (7) 3444 CAPTAIN BLISS 12 (B) N Tinkler 8-11 ..... Pat Eddery 78
2 (9) 400 ESTOPPED 23 M Channon 8-11 ..... P P Murphy (3) 75
3 (10) 3250 FIVEO'CLOCK SHADOW 7 B Meehan 8-11 ..... M Tebbutt 88
4 (4) 65 FRED'S IN THE KNOW 22 C Murray 8-11 ..... J Quinn –
5 (1) 5425 NEWHARGEN 16 (B) P Evans 8-11 ..... K Fallon 77
6 (5) 00 HIGH CARRY 10 J Banks 8-6 ..... J Stack 72
7 (2) 0 JAYBEE SILVER 55 M Tompkins 8-6 ..... D Biggs –
8 (11) 00 KATIES TREAT 14 D Thom 8-6 ..... D Harrison –
9 (3) 0 LA VIZELLE 8 R Guest 8-6 ..... J Reid –
10 (8) 00 RUTHS GEM 14 D Thom 8-6 ..... W Ryan –
11 (6) TENDER DOLL C Dwyer 8-6 ..... Jo Hunnam (7) –

5-4 Five o'clock Shadow, 5-1 Newhargen, 13-2 Captain Bliss, 6-1 Estopped, 12-1 High Carry, Jaybee Silver, Ruths Gem, 16-1 others.

3.00 HEMSBY CONDITIONS STAKES
(£5,188: 7f 3yd) (6)

1 (6) 1460 ROYALE FIGURINE 13 (C,F,G,S) M Fetherston-Godley 5-9-3 W Ryan 93
2 (4) 11 SNOW KID 8 (D,S) D Loder 3-8-12 ..... Pat Eddery 92
3 (5) 10-0 FUN GALORE 49 (D,F) B Hills 3-8-6 ..... M Hills 91
4 (1) 64-6 SHOCK VALUE 77 (F) M Stoute 3-8-6 ..... J Reid 88
5 (2) 214- HAKKANMYAH 348 (F) D Morley 3-8-1 ..... R Hills 81
6 (3) 51-2 IMROZ 37 (BF,D,F,G) H Cecil 3-8-1 ..... A Mcglone 96

6-4 Snow Kid, 9-4 Imroz, 5-1 Royale Figurine, Shock Value, 10-1 others.

3.30 LODDON FILLIES HANDICAP
(£3,269: 7f 3yd: I4)

1 (4) 0-64 LISTED ACCOUNT 39 L Cumani 3-9-10 Pat Eddery 96
2 (1) -255 MY GUEST 9 (BF) P Makin 3-9-5 ..... S Sanders 96
3 (3) 6-09 MY GIRL LUCY 23 P Mitchell 3-8-13 M Henry (3) 97
4 (2) 6200 KARINSKA 15 (C,D,F,G) M Chapman 7-8-9 S Carson (7) 89

5-4 Listed Account, 5-2 Ice, Guest, 13-2 My Girl Lucy, 12-1 Karinska.

4.00 CATFIELD CLAIMING STAKES
(£2,670: 1m 3yd) (11)

1 (10) -461 TROJAN HERO 31 (D,F) Mrs M Reveley 6-9-9 K Fallon 94
2 (5) 5322 WHAT A FUSS 1 B Hanbury 4-9-9 J Stack 81
3 (9) 0100 NEVER GOLF EAGLE 52 T Naughton 4-8-13 S Sanders 82
4 (7) 0042 SPANISH STRIPPER 14 (F) M Chapman 6-8-13 S Carson (7) 65
5 (11) -605 CROSS OF VALOUR 5 (F) P Howling 4-8-12 Paul Eddery 89
6 (6) -210 SPANIARD'S MOUNT 5 (S) M Tompkins 5-8-11 M Henry (3) 90
7 (2) -020 SODA POP 20 C Brittain 3-9-9 ..... W Ryan 92
8 (3) -400 PRUDENT PRINCESS 20 (B) A Hide 5-8-5 G Bardwell 80
9 (8) 5 ALEGEAN 10 C Heggie 3-8-4 ..... R Hills 90
10 (1) 00 CERTAINTY 14 J Fitzsimons 3-9-4 ..... D Harrison –
11 (4) 040- TYROLEAN DANCER 248 S Woods 3-8-4 ..... D Biggs 82

3-1 Trojan Hero, 7-2 What A Fuss, 5-1 Aveebah, 6-1 Spaniard's Mount, 7-1 Soda Pop, 10-1 Spanish Stripper, 14-1 Never Golf Eagle, 16-1 others.

4.30 EBF HAPPISBURGH NOVICE STAKES
(2-Y-O: £3,720: 7f 3yd) (5)

1 (5) 1 MAZBOON 21 (B) E Dunlop 9-4 ..... R Hills 89
2 (1) 2103 TIMEKEEPER 7 (G) M Bell 9-4 ..... R Mullen (5) 84
3 (4) 01 KIM'S BRAVE 17 (F) B Meehan 8-12 ..... M Tebbutt 73
4 (2) LONE PIPER C Brittain 8-12 ..... W Ryan –
5 (3) 1 BEHOLD 37 (F) J Fanshawe 8-11 ..... D Harrison 90

10-11 Mazboon, 3-1 Behold, 9-2 Timekeeper, 8-1 Lone Piper, 16-1 Kim's Brave.

5.00 HICKLING LADY RIDERS HANDICAP
(£2,322: 1m 2f 21yd) (10)

1 (7) 2121 MARJAANA 29 (F,G) P Walwyn 4-11-7 Sarah Farnworth (5) 94
2 (5) 1014 BLOCKADE 10 (BF,CD,F,G) M Bell 8-10-11 ..... Georgina Bell (5) 89
3 (1) 2634 CALENDULA 31 D Morley 4-10-11 ..... Jane Allison 90
4 (6) 4444 NOT FORGOTTEN 46 P Kelleway 3-10-8 Alison Hutchinson (5) 98
5 (3) 0351 ANCHOR VENTURE 24 (D,F) S Woods 4-10-1 Diana Jones 98
6 (4) 1240 BELLAS GATE BOY 6 (F) J Pearce 5-10-0 Lydia Pearce 95
7 (9) 0400 SQUARED AWAY 20 (B,F) J W Payne 5-9-10 Catherine Lale (5) 90
8 (10) 0025 CAPTAIN MARMALADE 41 (D,G) D Thom 8-9-8 Fiona Burke (5) 95
9 (8) 0-61 ARIF 6 (S) B Curley 5-9-5 (5ex) Amanda Stringer (5) 93
10 (2) 0433 ACERBUS DULCIS 20J M Chapman 6-9-0 Sarah Bosley 91

7-2 Arif, 4-1 Calendula, 5-1 Marjaana, 11-2 Blockade, 8-1 Not Forgotten, Bellas Gate Boy, 10-1 Anchor Venture, 14-1 others.

BLINKERED FIRST TIME: Catterick: 2.20 Angry Albert, Oriel Girl, Sharp Pet, Turf Moor. 2.50 Gymcrak Tiger. 3.50 Wagga Moon. Haydock Park: 2.40 Hope Value, Sylvan Cloud.

HAYDOCK PARK

THUNDERER

2.10 Ballard Lady
2.40 Tindaya
3.10 Sheltering Sky
3.40 Bally Souza
4.10 Garnock Valley
4.40 Foreign Rule

GUIDE TO OUR RACECARD

102 (12) 0-0432 GOOD TIMES 74 (CD,BF F,G,S) (Mrs D Robinson) B Hall 9-10-0 B West (4) 88

Racecard number. Draw in brackets. Six-figure form (F — fell; P — pulled up; U — unseated rider; B — brought down; C — slipped up; R — refused; D — disqualified). Horse's name. Days since last outing. J — jumps. F — flat. (B — blinkers; V — visor; H — hood; E — Eyeshield; C — course winner; D — distance winner; CD — course and distance winner; BF — beaten favourite in latest race). Going on which horse has won (F — firm, good to firm; hard; G — good; S — soft, good to soft, heavy). Owner in brackets. Trainer. Age and weight. Rider plus any allowance. The Times Private Handicapper's rating.

GOING: GOOD TO SOFT DRAW: 6F, HIGH NUMBERS BEST
TOTE JACKPOT MEETING SIS

2.10 HALEWOOD APPRENTICES HANDICAP
(£2,949: 7f 30yd) (9 runners)

101 (4) 0002922 CAUDILLO 7 (S) (W Harrison-Allan) Mrs P Dunfield 4-9-10 D McGaffin (3) 98
102 (7) 40-0160 BRANDONVILLE 16 (D,S) (P Grundy) N Tinkler 4-9-9 ..... R Studholme (5) 94
103 (6) 000-406 NKAPEN ROCKS 12 (Lady Luliett) J H Wilson 4-9-4 ..... K Sked 95
104 (1) 04-5046 AMOEBA 32 (B) (Mrs F Williams) A Bailey 4-8-13 ..... R Cody-Boutcher (5) 89
105 (8) 0405665 HEATHYARDS LADY 16 (D,F,G) P Hollinshead 6-8-11 ..... P Fredericks (5) 93
106 (2) 6100100 THEATRE MAGIC 12 (D) (Green Diamond Racing) D Shaw 4-8-6 S Righton (5) 90
107 (5) 5006420 BALLARD LADY 26 (CD,S) (Mrs F Water) J Wainwright 5-8-7 ..... P Doe (3) 96
108 (3) 00-0004 NORTHERN JUDGE 6 (B,D,G) (Good Judgement Puns) A James 4-8-4 G Milligan (5) 89
109 (9) 6-06014 PRIME PARTNER 7 (G) (P Bowles) T Easterby 4-8-4 ..... R Winston 97

BETTING: 7-2 Caudillo, 4-1 Prime Partner, 11-2 Ballard Lady, 6-1 Brandonville, 7-1 Amoeba, 8-1 Nkapen Rocks, Heathyards Lady, 10-1 others.

1996: BALLARD LADY 4-7-10 P Doe (9-1) J Wainwright 13 ran

FORM FOCUS

CAUDILLO head 2nd of 13 to Amoss in handicap at Salisbury (6f, soft). BRANDONVILLE best recent effort beat Supamode 2¼l in handicap at Ayr (7f, soft). NKAPEN ROCKS 4¼l 6th of 13 to Medas Westwood in handicap at Ayr (7f, good). THEATRE MAGIC best recent effort beat Bawaleb 1¼l in 12-runner handicap at Wolverhampton (AW, 7f).

BALLARD LADY 1¼l 2nd of 10 to Lady Sheriff in handicap at Newcastle (5f, soft). NORTHERN JUDGE 4¼l 4th of 8 to Amber Fort in handicap at Goodwood (7f, good to soft). PRIME PARTNER beat Bedazzle ½l in 15-runner apprentice selling handicap at Ripon (1m, good) on penultimate start. Selection: CAUDILLO

2.40 SUMMER SELLING STAKES
(2-Y-O: £2,542: 6f) (8 runners)

201 (2) 0 HOPE VALUE 15 (B) (M Easterby) T Easterby 8-11 ..... D McKeown 74
202 (8) 2 KOLBY 17 (B,BF) (Mrs J Bailey) A Bailey 8-11 ..... D Wright (5) 92
203 (3) 005 SLIM PRIOR 9 (I) (P McCarthy) N Byrne 8-11 ..... B Doyle 65
204 (7) 506 TINDAYA 27 (J Bosley) P Evans 8-11 ..... Dane O'Neill 83
205 (4) 000 COMPANYS GAMBLE 58 (Mrs P Stevens) B Baugh 8-6 ..... A Culhane 73
206 (6) 00 STRAVSEA 17 (E Beecroft) B Baugh 8-6 ..... N Carlisle –
207 (1) 00250 SYLVAN CLOUD 12 (V) (Glasgow House Pony Racing Club) C Fairhurst 8-6 Darren Moffatt (3) 70
208 (5) 00 THREE TENNERS 21 (S) (Alderson) J Berry 8-6 ..... K Darley 72

BETTING: 6-5 Kolby, 9-2 Tindaya, 5-1 Three Tenners, 7-1 Hope Value, 8-1 Slim Prior, 16-1 Companys Gamble, Stravsea, 20-1 Sylvan Cloud.

1996: VICTORIA'S DREAM 6-6 W Carson (13-2) M Channon 6 ran

FORM FOCUS

HOPE VALUE 17l 7th of 11 to Carry The Flag in auction maiden at Thirsk (7f, good). KOLBY neck 2nd of 14 to Mcleod in seller at Windsor (5f, good to firm). TINDAYA 26¾l 6th of 7 to Central Park in maiden over course and distance (1m, good to firm). COMPANYS GAMBLE 8l 9th of 13 to Mighty Slate in seller at Doncaster (5f, good) with SLIM PRIOR 6l 12th, STRAVSEA 15l last of 17 to Rocky Girl in auction maiden at Pontefract (6f, good). SYLVAN CLOUD 19l 9th of 11 to Lanetzeno in seller at Redcar (7f, good). THREE TENNERS 15l 8th of 9 to Wait'n'see in auction maiden at Carlisle (5f, firm). Selection: KOLBY

3.10 HEUBACH MAIDEN STAKES
(3-Y-O: £3,966: 7f 30yd) (14 runners)

301 (7) BEAU TUDOR (Mrs A Wyatt) Miss L Siddall 9-0 ..... T Siddall (7) –
302 (11) BUSHWACKER (Black Run Racing Club) C Egerton 9-0 ..... R Hughes –
303 (2) BUSTOPHER JONES (C Brasher) C Egerton 9-0 ..... Dane O'Neill –
304 (1) 0 GENERAL HASTIE 16 (Mrs J Bendall) C Thornton 9-0 ..... D McKeown 72
305 (14) 0 INGLEBOROUGH 15 (Wiplana Partnership) D Morton 9-0 ..... Darren Moffatt (3) –
306 (5) 0-0532 KHAFAAQ 22 (H al-Maktoum) W Hern 9-0 ..... T Sprake (5) –
307 (6) 5- PERFECT BEAR 367 (Mrs S Smith) Mrs S Smith 9-0 ..... D Pears (3) –
308 (4) 60 PHARLY STAR 26 (A Wragg) D Shaw 9-0 ..... C Teague (3) –
309 (12) 6 SHELTERING SKY 33 (V Bellows) G Abbott Racing 1 Dunlop 9-0 K Darley 95
310 (10) 00 TARDIEN 21 (D Whyte) K Burke 9-0 ..... B Doyle 79
311 (8) 54003-0 DANEHILL PRINCESS 173 (J Graham) P Hollinshead 8-9 ..... D Griffiths (3) 85
312 (9) MADGE'S PET (Mrs C Heath) G Barnett 8-9 ..... N Carlisle –
313 (3) 0 POLEAXE 10 (Lady Howard de Walden) Mrs J Cecil 8-9 ..... J Tate –
314 (13) 362-6 SUMMEROSA 40 (Mrs J Magnier) P Chapple-Hyam 8-9 ..... R Havlin (3) 97

BETTING: 9-4 Nizdaq, 5-2 Summerosa, 3-1 Sheltering Sky, 13-2 Poleaxe, 16-1 Bustopher Jones, 20-1 General Hastie, Perfect Bear, Pharly Star, Tardien, Danehill Princess, 33-1 others.

1996: RIVERS MAGIC 9-0 B Thomson (20-1) D Chappell 13 ran

FORM FOCUS

INGLEBOROUGH 19l 8th of 12 to Vain Tempest in maiden at Ripon (1m, good). KHAFAAQ 5l 2nd of 10 to Mr Sopogie in maiden at Salisbury (7f, good to firm). PERFECT BEAR about 20½l 5th of 7 to Nugacine in conditions race at Pontefract (6f, good to firm). SHELTERING SKY about 6¼l 5th of 8 to The Prince in maiden at Newmarket (1m, good to firm). DANEHILL PRINCESS 7¼l 3rd of 6 to Komacia in auction maiden at Wolverhampton (AW, 7f) on penultimate start. POLEAXE 16l 9th of 15 to Sellette in maiden at Windsor (1m 67yd, soft). SUMMEROSA about 6¼l 6th of 15 to Compromise in maiden at Warwick (7f, good to firm). Selection: KHAFAAQ

3.40 WEATHERBYS INSURANCE SERVICES FILLIES HANDICAP
(£3,579: 1m 3f 200yd) (6 runners)

401 (4) 2154-20 MADAME CHINNERY 14 (G) (Chinnery Partnership) J Eustace 3-9-12 J Tate 97
402 (1) 6-32465 PEPPERS 9 (BF) (M Nelmes-Cocker) K Burke 3-9-11 ..... B Doyle 98
403 (6) -142231 KATHRYN'S PET 8 (D,S) (B Brown) Mrs M Reveley 4-9-11 (5ex) A Culhane 92
404 (2) 46000-0 DEBUTANTE DAYS 19 (C,F,S) (Mrs S Brasher) A Stewart 5-9-10 R Hughes 96
405 (5) 036-624 BALLY SOUZA 9 (Miss B Lee) M Johnston 3-9-7 ..... J Weaver 97
406 (3) 620-036 DALWHINNIE 13 (Ibn Racing Company) J Wharton 4-9-5 K Darley 89

BETTING: 5-2 Kathryn's Pet, 7-2 Madame Chinnery, 4-1 Bally Souza, 9-2 Peppers, 6-1 Dalwhinnie, 8-1 Debutante Days.

1996: LALINDI 5-10-0 T Quinn (7-2 g fav) D Elsworth 7 ran

FORM FOCUS

MADAME CHINNERY neck 2nd of 9 to Protocol in handicap at Sandown (1m 3f 91yd, good to firm) on penultimate start. PEPPERS about 2¼l 5th of 7 to Absolute Liberty in apprentice handicap at Lingfield (1m 2f, good). KATHRYN'S PET beat Manaili 1¼l in 6-runner handicap at Chester (1m 4f 66yd, soft). DEBUTANTE DAYS 6l 9th of 13 to Zamalek in handicap at Lingfield (1m 2f, good to firm). BALLY SOUZA 5l 2nd of 9 to Honourable in handicap at Pontefract (1m 2f, good) on penultimate start. DALWHINNIE neck and 1¼l 3rd of 14 to Ancient Quest in handicap at Newmarket (1m 4f, good to soft) on penultimate start. Selection: MADAME CHINNERY (nap)

4.10 ECCLES HANDICAP
(£3,738: 6f) (13 runners)

501 (12) 0424040 GARNOCK VALLEY 5 (B,CD,F,G,S) (R Ard) J Berry 7-9-13 ..... G Carter (5) 99
502 (7) 220-330 MAITEAMIA 68 (B,D,G,S) (Mrs Z Grant) S Bowring 4-9-9 ..... S Webster 95
503 (1) 0-04004 DEPRECIATE 12 (D,G) (V R Bedley) C James 4-9-8 ..... C Rutter 97
504 (3) 0-236 FREDERICK JAMES 13 (F Sainsbury) M Heaton-Ellis 3-9-6 ..... S Whitworth 94
505 (13) 03300-0 DESERT LYNX 9 (D,S) (Mrs R Watson) T Watson 4-9-5 ..... R Hughes 90
506 (10) -263035 BEE HEALTH BOY 5 (B,CD,F,S) M W Easterby 4-9-4 ..... G Parkin (5) 56
507 (9) 32120-0 IMPOSING TIME 3 (D,F,G) (J Hanna) Gay Kelleway 5-9-4 ..... J Weaver 94
508 (4) 3121400 FOIST 19 (D,G,S) (D Spencer) M W Easterby 5-9-2 ..... K Darley 98
509 (8) -082050 SARIO 66 (G) (Mrs M Clayton) A Bailey 4-9-0 ..... D Wright 97
510 (6) 0/0-005 CRISSEM 8 (C,F) (Mr C Johnson) R Hollinshead 4-8-13 ..... F Lynch 95
511 (11) -0010000 HALMANERROR 19 (D,F,G,S) (Mrs J Smith) Mrs J Ramsden 7-8-12 D McKeown 90
512 (2) 000-060 MACGILLYCUDDY 8 (B,D,G,S) Mrs P Dunfield 8-8-10 ..... T E Dorcan (5) 90
513 (5) 5-05402 BOLLIN DOROTHY 26 (S) (Lady Westbrook) T Easterby 4-8-2 ..... T Williams 96

BETTING: 9-2 Bollin Dorothy, 5-1 Bee Health Boy, 6-1 Depreciate, 7-1 Garnock Valley, 8-1 Imposing Time, Foist, 10-1 Maiteamia, Frederick James, Halmanerror, 14-1 others.

1996: MAID O'CANNE 5-8-6 T Quinn (9-2) M W Easterby 9 ran

FORM FOCUS

MALTEAMIA 2¼l 3rd of 18 to Ivanch Girl in handicap at Ripon (6f, good to firm) on penultimate start, with HALMANERROR 4¼l 13th. DEPRECIATE about 2½l 4th of 11 to The Happy Fox in handicap at Wolverhampton (AW, 6f). FREDERICK JAMES best recent effort 4l 2nd of 13 to Soviet Leader in auction maiden at Nottingham (6f, good). BEE HEALTH BOY about 5¼l 6th of 18 to Cretan Gift in handicap at Newcastle (6f, heavy) with GARNOCK VALLEY about ¾l 5th IMPOSING TIME 13l 8th of 12 to Tralee Osmaston in handicap at Windsor (6f, good to soft). SARIO 7¼l 8th of 17 to Night Fight in handicap at Pontefract (6f, good). BOLLIN DOROTHY ½l 2nd of 9 to Almasi in handicap at Doncaster (6f, good). Selection: BEE HEALTH BOY

4.40 HOUGHTON GREEN HANDICAP
(3-Y-O: £3,556: 1m 6f) (6 runners)

601 (6) 06-421 THORNBY PARK 6 (D,S) (Appleby Lodge Stud) J Dunlop 9-11 (4ex) T Sprake 97
602 (1) 5-14 BRAND NEW DANCE 36 (J Gulbin) D Arbuthnot 9-4 ..... S Whitworth 98
603 (3) 36224 FOREIGN RULE 24 (R Sangster) P Chapple-Hyam 8-1 ..... R Havlin (3) 97
604 (4) 5-53 BOHTISAR 20 (H al-Maktoum) P Walwyn 8-13 ..... R Hughes 92
605 (5) 0450440 WARRLIN 8 (Glasgow House Racing Syndicate) C Fairhurst 8-1 ..... G Carter 92
606 (2) 4320142 SKELTON SOVEREIGN 6 (F) (G Bailey) R Hollinshead 7-11 R Fitzpatrick (5) 89

BETTING: 15-8 Thornby Park, 3-1 Brand New Dance, 4-1 Bohtisar, 9-2 Foreign Rule, 10-1 Skelton Sovereign, 12-1 Warrlin.

1996: THE SWAN 9-7 W Carson (5-6 fav) J Dunlop 5 ran

FORM FOCUS

THORNBY PARK beat Milly Of The Valley 1¼l in 5-runner handicap at Goodwood (1m 6f, good to soft). BRAND NEW DANCE 3¾l 4th of 9 to Pre-mier Night in handicap at Newbury (1m 5f, 61yd, good to firm). FOREIGN RULE 6l 2nd of 6 to Monticot in maiden at Brighton (1m 4f, firm) on penultimate start. BOHTISAR 6½l 3rd of 5 to Rubayna in maiden at Chepstow (1m 4f, good to firm). WARRLIN 6¼l 4th of 12 to Forge in apprentice handicap at Musselburgh (1m 5f, good) on penultimate start. SKELTON SOVEREIGN 4l 2nd of 12 to Twilight Sleep in claimer at Wolverhampton (AW, 2m 4f). Selection: THORNBY PARK

COURSE SPECIALISTS

TRAINERS	Wins	Runs	%	JOCKEYS	Winners	Rides	%
P Chapple-Hyam	9	34	26.5	T Sprake	10	49	20.4
J Dunlop	23	102	22.3	Dane O'Neill	3	15	20.0
A Stewart	4	20	20.0	J Weaver	17	109	15.6
Mrs M Reveley	15	97	15.5	A Culhane	8	56	14.3
M Heaton-Ellis	4	27	14.8	K Darley	18

CRICKET: ATHERTON CONFIDENT OF RETAINING INITIATIVE

England prepare to resist counter-attack

BY ALAN LEE, CRICKET CORRESPONDENT

ENGLAND must resist a rising tide of Australian confidence if they are to carry their lead into the second half of the Ashes series. For the first time on their fractured tour, the Australians are entering a big match believing that they will win. Old Trafford, starting today, could be a watershed for the summer.

Manchester is home to the majority of the England hierarchy, but it will seem an alien place if it is here that the rare and special sense of supremacy over Australia is dissolved. On a damp, greenish pitch, a positive result seems assured if the weather holds and Mark Taylor, the Australia captain, recognises the moment. "If we win this Test, we will be very hard to stop," he said.

There is an "if" to be considered, though, and it is a far greater "if" than has applied in any recent Ashes series. England won the first Test on merit, as well as adrenalin, and saved the second with dignity preserved. They have lost none of their past seven Tests and have become harder to beat than any England side of recent times.

This match, the third of six in a Cornhill series that continues to fill grounds and stir emotions despite the vagaries of the weather, will fully examine the resilience of the new England created by Michael Atherton and David Lloyd. If they emerge unscathed, I believe they will go on to reclaim the Ashes; lose, and the Australians will regain the high ground as favourites.

Atherton, the captain, was understandably reluctant yesterday to concede that his team has lost its early momentum. "We went away from Lord's the happier side on the last day," he said, adding grudgingly, "but Australia are on the up a bit."

As one who finds it increasingly difficult to rouse himself for games below international level, Atherton is not at all moved by the Australians' innings victory over Hampshire this week. He would not dispute, though, that things are certain to get tougher from here on.

Australia still have their problem areas, but the team now has a shape and air of purpose that was oddly lacking before Lord's. The return of Jason Gillespie, recalled today at the expense of Michael Kasprowicz, can only help.

Gillespie bowled distinctly briskly at Southampton, his first match back from hamstring trouble, but more impressive than his pace was his line; he compelled a stroke at all times, other than when Matthew Hayden elected to shoulder arms and lost his off stump. Robin Smith reckoned that it was the best bowling he had faced in a considerable time.

Kasprowicz is unfortunate. He has done little wrong in two Tests and, if the ball swings, he will be missed. McGrath, Reiffel and Gillespie are sufficiently different to avoid a one-dimensional attack, but all of them move the ball off the pitch rather than in the air.

Shane Warne completes the attack, which goes without saying on all occasions but so obviously here, where he made his sensational Ashes debut in 1993, that Taylor would have been entirely justified had he given a more withering answer when he was asked if he might exclude him to play four seamers. The captain was too polite to scoff.

Taylor is also beginning to look more his old self with the bat and, like Warne, he has fond memories of this ground. Four years ago, Taylor made 124 here in a match dominated by spin and he emerged contented from his century at Southampton this week. "I don't think I played and missed in 4½ hours," he said.

Neither captain can be convinced about the merit of winning the toss this morning. Despite a good, drying day yesterday, the pitch remained under cover, indicating that the England management was happy with its look and texture. Taylor, indeed, said: "It has a lot of moisture in it and won't have any pace." Logically, one might choose to bowl first in such conditions, but precedent dictates caution.

No Test on this ground has ever been won by a side putting the opposition in and, in 1993, Graham Gooch ignored the warning and paid for it. Gooch and Mike Gatting, now England selectors, have good cause to recall that game for their dismissals — Gooch "handled the ball" for 133, Gatting was confounded by Warne's wonder ball.

Atherton was giving nothing away about his possible toss decision yesterday, but there is a strong hint that England will emulate Australia by preferring seam to swing. Dean Headley has been given two long bowling stints during training and, providing his back and hip show no adverse reaction, he will be preferred to Mike Smith for a debut.

Both, according to Atherton, have fitted well into the team environment. "It is a welcoming dressing-room nowadays," he said. "There are no superstars." This, indeed, is one reason for the advance of the team, another being a belated but significant improvement in forward planning.

England, for instance, are to send a properly representative team to the Hong Kong Sixes tournament in late September, where previously they have dispatched a mishmash of anyone available. The Hollioake brothers have both been selected, Adam as captain, and the rest of the specialist squad is Alistair Brown, Dougie Brown, Mark Ealham, Graham Lloyd and Matthew Fleming.

For today, however, such matters will seem trivial. The Ashes are there to be won and the coming five days will have an immense bearing on their destination. "If we win here," Atherton said, "we'll be in a very good position to win the series ... and we are not looking to sit on a 1-0 lead."

DETAILS

ENGLAND (from): M A Atherton (captain), M A Butcher, A J Stewart, N Hussain, G P Thorpe, J P Crawley, M A Ealham, R D B Croft, D Gough, A R Caddick, D W Headley, A M Smith, D E Malcolm.

AUSTRALIA: M A Taylor (captain), M T G Elliott, G S Blewett, M E Waugh, S R Waugh, M G Bevan, I A Healy, S K Warne, J N Gillespie, P R Reiffel, G D McGrath.

Umpires: G Sharp and S Venkataraghavan (India). Third umpire: J H Hampshire. Match referee: R S Madugalla (Sri Lanka).

COVERAGE: Television: BBC1: Live 10.50am-12.35pm; Live with Wimbledon 1.40-4.10pm, Highlights 11.10-11.50pm. BBC2: Live with Wimbledon 12.30-8.0pm. Radio: BBC Radio 4: 10.55am-1.0pm, 1.40-6.30pm (Long Wave).



Gillespie: returning

Can Warne still turn the screw?

Simon Wilde says the key question waiting to be answered at Old Trafford concerns the Australia leg spinner

Life has changed somewhat for Shane Warne since he surprised himself and the world with that breathtaking ball to Mike Gatting on June 4, 1993 at Old Trafford, the venue to which he returns today with the weight of a nation's expectations on his shoulders. Australia are under intense pressure to win the match and level the series — and Warne is under intense pressure to win it for them.

Anyone who doubts how seismic has been that change should have been at the ground yesterday as the Australians made their final preparations. As ever these days, Warne's every move was monitored — by cricket fans, journalists, admirers and even by a team-mate or two, assessing this different kind of celebrity through narrowed eyes.

Before entering the nets, Warne, chewing gum all the time, obliged the autograph-hunters and cast an occasional glance of his own across the great divide between fame and the relative anonymity that was his territory until 1,490 days ago.

"It was the greatest ball I have ever bowled," he would say later. "I was pretty nervous beforehand, knowing of all the history and tradition that goes with Ashes Test matches, and I just tried to land it. When it hit the stumps, you could tell from my reaction that I was pretty pleased."

There was, though, one question on people's lips more than any other, and in the thoughts of those who dared not speak it: is Warne, whose wicket-tally in the series to date is a derisory three, still capable of bowling the ball that ripped past Gatting's outside edge?

The question was on Warne's mind too, judging by the number of leg-breaks he sent down. He often does not try too hard in practice, idling a few seamers to save his shoulder, but yesterday he really tried. No sooner did he bowl a ball than he dived into conversation with Terry Jenner, who was doing a spot of monitoring of his own.

Jenner is Warne's guru and whenever he is around — he arrived to lead a supporters' group before the Lord's Test, when Warne showed signs of returning to form, and goes back to Australia next week — Warne is generally reckoned to be a more content and serene figure.

"Of course Shane can still bowl the big leg break," Jenner said. "He has still got the biggest leg-spinner in world cricket. He just produces it less often these days and everyone wants to analyse him piece by piece.

"I watched the first Test match at Edgbaston on television and thought: 'His action looks great — why is the ball not spinning?' He uses me as his bouncing-board and I would send him a fax if I saw anything wrong, but I have had no need to on this tour."



Warne, his fingers protected by plasters, warms up before the Australians' practice session at Old Trafford yesterday

Jenner has known Warne for six years. They met at the cricket academy in Adelaide, where Jenner, who played nine Tests for Australia in the early 1970s, was coaching and Warne a promising but raw youth. Jenner had recently been in jail for embezzlement. Warne was something of a rebel and they struck up an immediate friendship.

Jenner concedes there are differences between Warne now and the way he was in 1993. "In those days, he was still discovering himself. Every ball was an adventure, every ball more exciting than the last. He actually bowled two balls to Graham Gooch at Old Trafford four years ago that were better than the one he gave Gatting, but everyone remembers that one because it was the first.

"An awful lot of water has flowed under the bridge since then. He bowls a ball, it does not spin and he asks himself why. It is hard to bowl like an exuberant 23-year-old when you have found out everything, but Shane has put in a lot of hard work and he will have an impact on this series before it is over. We have yet to see him bowl on a wearing pitch on a fourth or fifth day."

'Jenner seemed unaware it isn't planned to let Warne near a dry, dusty pitch'

Jenner seemed unaware that it is not planned to let Warne anywhere near a dry, dusty pitch, that the damp weather and emerald pitches are all part of the English conspiracy. Warne himself spoke of his belief that he would eventually come across a favourable pitch and this perhaps signals the main change in him. Four years ago, he turned balls in the most unpromising conditions and thought nothing of it.

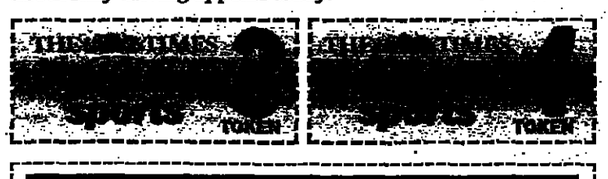
Life has changed for Warne in another way. Last weekend, his wife, Simone, gave birth to their first child, another important delivery he will forever associate with a tour of England. There was talk that he might briefly return home after the game, but that idea has been scotched. Whether fatherhood has expanded his sense of adventure and will have a positive effect on his game, the next five days may tell.

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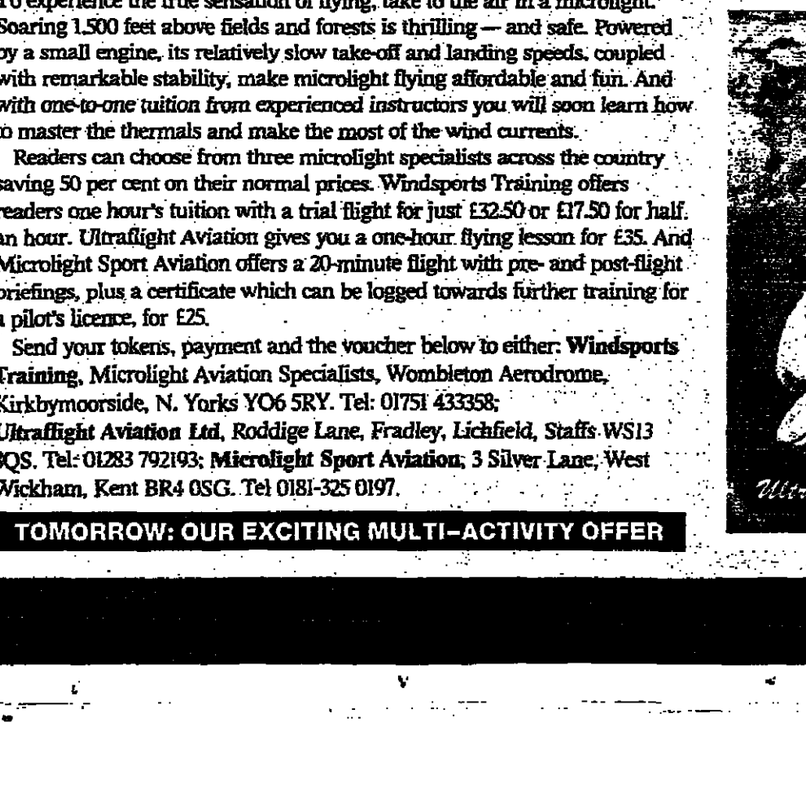
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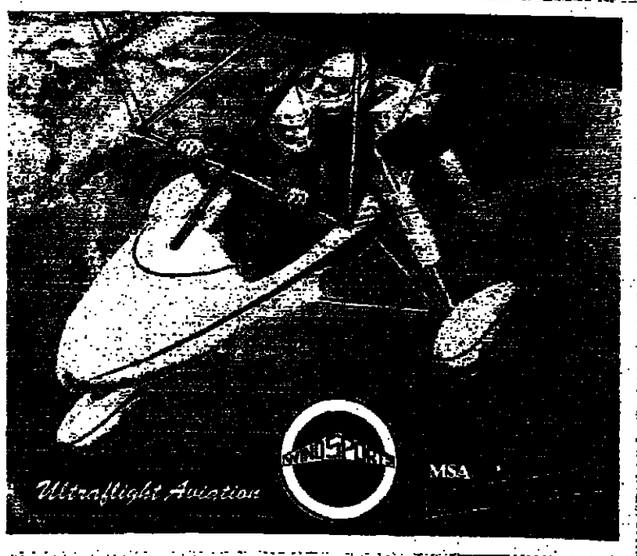
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TOMORROW: OUR EXCITING MULTI-ACTIVITY OFFER

CHANGING TIMES

CRICKET

Middlesex mauled by Martin's career-best haul

By Richard Hobson

UXBRIDGE (first day of four; Lancashire won toss): Lancashire, with all first-innings wickets in hand, are eight runs ahead of Middlesex

PLAYING alongside the England captain has cut both ways in the career of Peter Martin. He believes that it assisted his elevation to Test status two years ago but hastened the return journey when his form began to dip last season. The only pity for Martin yesterday was that Michael Atherton was not in the slip cordon to witness the best performance of his career.

Arriving at Uxbridge expecting the customary flat pitch, he was pleasantly surprised to discover that the surface contained enough moisture to assist his medium pace and even happier on hearing that Neil Fairbrother had won the toss. After 16 overs, Middlesex, the championship leaders, stood on 42 for seven and, despite a partnership of 54 between Owais Shah and Jamie Hewitt, they succumbed for 118, the lowest total at this ground.

Martin, who later described the conditions as "perfect", accounted for the first five wickets during a new-ball spell of seven overs from the Pavilion End in which he conceded just eight runs. Ian Austin removed Richard Johnson and Jacques Kallis, and Martin returned after lunch, this time from the unromantically christened Town End, to finish the innings. Only Waqar Younis has recorded better figures this season than Martin's eight for 32.

"I have been disappointed over the last 12 months to have slipped from being the fourth-choice England bowler to about the twentieth. If I keep bowling like this, then maybe somebody will prick up an ear," Martin said.

That certain somebody might be Mike Gatting. The England selector became the third of Martin's victims when *Andrew Flintoff took a catch* off bat and pad at third slip. Gatting took out his frustration on one of the squash courts behind the pavilion, but saw enough later to recognise the quality of the performance.

As the pitch began to dry, so batting became easier. When Lancashire replied, Nathan Wood recorded his maiden championship half-century and helped his side to take the lead without the loss of a wicket before heavy rain brought a premature close.

In achieving their first win of the season against Worcestershire on Monday Lancashire "removed the weight of a grand piano from our shoulders", according to Martin. To follow it with a second success *immediately will be no mean* achievement, considering the absence of Crawley, Gallian, Watkinson and Wasim Akram as well as Atherton.

An element of good fortune helped them on their way yesterday. In the fifth over, Weekes, attempting to drive Martin through mid-wicket, hit Wood, at short leg, on the neck, and saw the fielder grasp the ball instinctively. After a long deliberation the umpires declared themselves *satisfied that ball had not* struck Wood on the helmet before resting in his hands.

Four balls later, Ramprakash edged an expansive drive to Hegg, before Pooley offered a second catch to the wicketkeeper in attempting to fend off a rising ball. Fairbrother held a smart chance offered by Kallis while Johnson perished, shouldering arms.

Hewitt went for his strokes immediately and Shah underlined *his promise with some* crisp shots off his legs. However, Hewitt drove Martin tamely to mid-off and Shah fell leg-before.

JOHN SHERWOOD



A grinning Martin is congratulated after taking his seventh wicket yesterday

Cambridge ease into dominant position

By Jack Bailey

LORD'S (first day of three; Cambridge won toss): Oxford University, with nine first-innings wickets in hand, are 328 runs behind Cambridge University

CAMBRIDGE University forsook the practice established in recent times of asking Oxford to bat upon winning the toss. Oxford's score of more than 500 last year and their own slender *bowling resources dictated a* course of piling on the runs and hoping that the sheer weight of them would prey upon the enemy. So far, the mission is well on its way to accomplishment.

Cambridge emerged from an indifferent start to belabour Oxford's bowling with gusto. The initial progress was made by Anurag Singh and Robin Jones, during a partnership of 138 from 34 overs, after Oxford had removed both openers for 48. Then, Will House and David Churton increased the tempo.

House was dominant in a partnership of 124 for the fourth wicket and, after that, it was chiefly a matter of piling on the runs before having a go at Oxford before the close. Charlie Lightfoot bore a charmed life before being well taken low down at the wicket, but Oxford met with no further disaster.

Oxford had already suffered enough disappointment for one day. Early hopes had been raised by the dismissal of Ed Smith, second in the first-class batting averages, first bowled by a no ball from Patel and then caught at slip off the same bowler nine runs later. Ratledge soon followed, playing no stroke to Battarbee's first ball.

It also led to false hopes of Oxford glory. Singh quickly established his mastery, moving serenely to 91 from 128 balls. Then came House, like Smith under contract to Kent. His quickfire 94 included 14 fours and two sixes to the short square leg boundary. All three fell victim to Patel, a wholehearted trier, whose six for 110 was by some way a career best.

Robinson grasps his chance to impress

By Ivo Tennant

CHELMSFORD (first day of four; Somerset won toss): Somerset, with eight first-innings wickets in hand, are 238 runs behind Essex

BUOYED by the failings of the championship leaders at Uxbridge, Essex, who are two points behind Middlesex, ultimately made something of their first innings after they had been put in to bat and lost *nine wickets for 214. A tena*cious innings of 78 by Darren Robinson and a last-wicket stand of more levity between Ashley Cowan and Peter Such enabled them to reach a total of 280. Mark Ilott then took wickets with the first two balls of Somerset's reply.

As Keith Fletcher admitted, Robinson is in need of a decent run in the side. The difficulty Essex have is how to accommodate him when Hussain is available. This was his second *championship half-century of* the season, made with 14 fours in almost 4½ hours, but it was only his fourth match.

There was little movement through the air or off the pitch, but few batsmen gathered their runs with alacrity. Gooch, who, halfway through the season, is averaging 24.53, was taken at second slip in the sixth over. Stuart Law was bowled playing across the line at Kerr and only Prichard, whose half-century came at almost a run a ball, countered the seamers with any aggression — that wasuntil Cowan *was joined by Such. Their* partnership realised 66 unexpected runs, for although the former is conceivably an all-rounder in the making and should be batting above Ilott, Such entertains in every sense.

In spite of being hit on his helmet, which prevented him from fielding at the start of Somerset's innings, he played with no little spirit. The match is splendidly balanced after Ilott had Bowler leg-before offering no shot and *then, with his next ball, had* Ecclestone caught at second slip. Prichard knocking the ball up for Gooch to take the catch.

Determined Byas spoils festive air

AFTER counting lost time, points and revenue, Leicestershire, the county champions, belatedly launched their annual Grace Road festival yesterday through the purposeful bowling of Vince Wells and James Ormond. Yorkshire countered with David Byas making a pugnacious, unbeaten 66, including 12 fours from 75 balls, as the visitors, after winning the toss, reached 149 for five. Play was *restricted to 42 overs through* a combination of wet run-ups and bad light.

Byas drove freely off the front foot and also prevented a hat-trick after Wells had lured Lehmann into spooning a catch to cover and dismissed Parker leg-before.

Two of the contenders for the championship, Glamorgan and Gloucestershire, were frustrated by rain at Swansea, where only seven overs were bowled. Glamor*gan, put in to bat on a slow,* seaming pitch, had reached 19 without loss when the persistent drizzle turned into a steady downpour.

Belligerent Brown lifts gloom

By A Correspondent

EDGBASTON (first day of four; Warwickshire won toss): Surrey have scored 157 for six wickets against Warwickshire

THERE was an early-season feel to proceedings on a rain-shortened day at Edgbaston yesterday. The cool, showery weather was more reminiscent of April than July and both sides looked rusty after a shortage of match practice during a soggy June.

Only 50 overs were possible between three interruptions for rain and bad light and the only entertainment for a sparse crowd was provided by Alistair Brown's belligerent 46.

Brown, with two championship centuries in his previous four games, drove straight and often as he took eight fours and a pulled six off the Warwickshire attack before he nibbled Allan Donald to first slip.

Donald also had Ward taken by Frost, the wicketkeeper, who was called up when Piper, who was due to return from a suspension for drug-taking, withdrew with an Achilles tendon injury.

Surrey contributed to their own downfall with some rash strokes and Welch was rewarded for some excellent swing bowling with figures of three for 44 of 20 overs.

Llong and Strang dig deep

By Barney Spender

MAIDSTONE (first day of four; Northamptonshire won toss): Kent have scored 306 against Northamptonshire

SINCE Kent first pitched their marquees in Maidstone in 1857, Mote Park has gained something of a reputation as a place to score runs. Percy Chapman made the top score here of 260 against Lancashire in 1927 and two years ago, Kent and Derbyshire, spearheaded by double centuries from Aravinda de Silva and Chris Adams, churned out 1,532 runs in their championship match.

Yesterday, though, it changed character. It was a day for the bowlers. The rain had left the pitch a lively shade of green and the overcast conditions, which prompted Rob Bailey's decision to field, gave his bowlers enough assistance to have Kent struggling for runs all day.

Had luck gone their way, Northamptonshire would have skittled Kent for 150, but, as often happens when sides are struggling, fortune favoured their opponents and Kent dug themselves out of trouble, with spirited fifties from Nigel Llong and Paul Strang. Indeed, by the close, they could claim to have enjoyed the better of the day.

With the Cambridge pair of Ed Smith and Will House joining the county after the Varsity match, Llong may have been feeling under increasing pressure of late, but, coming to the crease in the tenth over when Taylor and Akram had reduced Kent to 31 for three, he played with solid assurance in making 57. He hit eight fours, including two in the same over off Boswell — a rasping square cut followed by a fine on drive which owed more to timing than power — *and found a staunch ally in* Wells, who was watchfulness personified in making 26 from 117 balls as the pair added 94 in 33 overs.

Then Akram returned to pluck out Wells's middle and leg stumps and the innings went into decline as Kent slipped to 149 for six. Llong fished outside off stump and edged to second slip and Fleming top-edged a pull to Taylor at mid-wicket, three thrilling boundaries having been his only scoring shots.

That brought about Kent's second recovery, a partnership of 67 between Strang and Marsh. The captain became the third of Akram's four victims when he hooked to Snape at long leg, but Strang, in his uniquely inventive style, worked his way to an excellent 55 and, with some ebullient hitting from Phillips, assured Kent of a third batting point.

Pakistanis in go-slow

TRENT BRIDGE (first day of three: Pakistan A won toss): Nottinghamshire have scored 298 for nine wickets against Pakistan A

DESPITE Pakistan A's contemptible over-rate at Trent Bridge yesterday — they barely *managed* 12½ overs an hour — the tourists, in their opening fixture, made steady progress through the Nottinghamshire batting line-up (Rupert Cox writes). Only a surfeit of extras, plus a bristling innings from Graeme Archer, permitted the home team to reach 298 for nine before bad light truncated proceedings.

The Pakistanis' 21-year-old fast bowler, Shoaib Akhtar, epitomised their tardiness in the day's second over. It lasted 11 minutes, contained four no-balls, several false-starts and the wicket of a bemused Paul Pollard. However, Akhtar recovered sufficient composure to capture four for 71, and expose a genuine talent.

Nottinghamshire made a flamboyant start, capitalising on some erratic bowling, and were later stabilised by a third-wicket stand of 96 between Archer and Ashley Metcalfe. Archer constructed a season's-best 81 with a six and ten fours, spanning 125 balls, before becoming one of five victims for the wicketkeeper, Javed Qadeer.

Drakes sets the tone for Sussex revival

By James Allen

ARUNDEL (first day of four: Worcestershire won toss): Worcestershire have scored 185 for eight wickets against Sussex

SUSSEX did not perform yesterday like a team for whom the season is already a lost cause. In conditions favouring swing bowling, they restricted Worcestershire to 185 for eight before rain brought a halt to play at tea. It was a wholehearted effort, but until Sussex bat, what constitutes a good *score on such a slow surface is* a matter for conjecture.

If ever a team should be inspired by its surroundings, it is here and Sussex began as if galvanised by the wonderful setting, no one more so than Vasbert Drakes, who was Worcestershire's principal tormentor. Pitching the ball up, the Barbadian took the first three wickets and would have had a fourth had Mark Newell been able to hang on to an edge from Spiring.

Curtis was leg-before to one that nipped back and Weston was adjudged likewise when only half-forward. Having found the edge of Hicks' bat, Drakes completed his distinguished day's work with a diving catch at point that removed Leatherdale.

On Hick's departure, Worcestershire were a parlous 38 for three. Moody, who had opted to bat first, established himself with some imperious *strokes that suggested he was* intent on justifying his decision single-handed. He seemed nonplussed when Kirtley switched to the Castle End, from which Drakes had prospered, and had him taken at the wicket.

Moody had dealt harshly with Khan, the leg-spinner, and Martin-Jenkins, who was making his first championship appearance for nearly two years, but nobody could match his authority. Spiring *sparred at a wide one from* Kirtley and was caught on the third man boundary. A similarly rash stroke was Leatherdale's undoing and Keith Newell, who swung the ball appreciably, collected a second wicket when he bowled Lampitt.

For Sussex, it was a far cry from the debacle at Swansea last week, yet it remains to be seen whether the management reshuffle that followed has any profound effect, because it was the batting that let them down there, as it has for much of the season. Tony Pigott, the chief executive, is taking a keener interest in playing matters, but it was the coach, Desmond Haynes, whom the team grouped around on the outfield before play began. The bowlers responded; now it is up to Haynes and Pigott to get some more runs out of the batsmen.

YESTERDAY'S SCOREBOARDS

Britannic Assurance county championship

Essex v Somerset

CHELMSFORD (first day of four: Somerset won toss): Somerset, with eight first-innings wickets in hand, are 238 runs behind Essex

ESSEX: First Innings

G A Gooch c Parsons b Shaw	4
*P J Prichard c Ecclestone b Rose	51
D D J Robinson c and b Shaw	78
S G Law b Kerr	5
R C Irani c Herzberg b Kerr	14
A P Grayson lbw b Rose	8
D R Law lbw b Rose	5
†R J Rollins lbw b Kerr	27
M C Ilott lbw b Kerr	0
A P Cowan not out	46
P M Such c Turner b Shaw	14
Extras (b 4 lb 13 w 3)	25
Total (84.4 overs)	280

FALL OF WICKETS: 1-14 2-75 3-78 4-122 5-143, 6-166, 7-201, 8-216, 9-214

BOWLING: Shaw 22-4-62-3; Rose 24-8-78-3; Kerr 25-4-83-4; Parsons 13-3-27-0; Herzberg 1-0-1-0

SOMERSET: First Innings

*P D Bowler lbw b Ilott	0
P C L Holloway not out	16
S C Ecclestone c Gooch b Ilott	0
M N Lathwell not out	30
Extras (w 2)	2
Total (2 wkts, 17 overs)	42

M Burns, K A Parsons, †P J Turner, G D Rose, J D Kerr, K J Shine and S Herzberg to bat

FALL OF WICKETS: 1-0, 2-0

BOWLING: Ilott 7-2-20-2; Cowan 4-1-16-0; *Such 4-1-3-0; Grayson 2-0-3-0*

Bonus points: Essex 2 Somerset 4

Umpires: R Julian and M J Harrison

Glamorgan v Gloucestershire

SWANSEA (first day of four: Gloucestershire won toss): Glamorgan have scored 19 for no wicket against Gloucestershire

GLAMORGAN: First Innings

S P James not out	6
H Morris not out	10
Extras (lb 1, nb 2)	3
Total (no wkt, 7 overs)	19

A Dale, *M P Maynard, P A Cottey, G P Butcher, †A D Shaw, Waqar Younis, S D Thomas, S L Watkin and D A Cosker to bat

BOWLING: Lewis 4-1-9-0; Young 3-0-9-0

GLOUCESTERSHIRE: N J Trainor, A J Wright, K P Sheehan, M A Lynch, S Young, *M W Alleyne, †P C Russell, T H C Hancock, M C J Ball, J J Lewis, R P Davis

Umpires: A Clarkson and A G T Whitehead

Kent v Northamptonshire

MAIDSTONE (last day of four: Northamptonshire won toss): Kent have scored 306 against Northamptonshire

KENT: First Innings

D P Fulton lbw b Taylor	14
M J Walker c Warren b Taylor	6
T R Ward c Ripley b Akram	9
A P Wells b Akram	26
N J Llong c Bailey b Taylor	57
M V Fleming c Taylor b Curran	12
P A Strang c Boswell b Snape	55
*†S A Marsh c Snape b Akram	32
B J Phillips b Akram	47
J B D Thompson b Snape	11
A P Igglesden not out	0
Extras (b 4 lb 6, w 3, nb 24)	37
Total (101.3 overs)	306

FALL OF WICKETS: 1-10, 2-31, 3-31, 4-125, 5-141, 6-149, 7-215, 8-248, 9-274

BOWLING: Akram 21.3-6-56-4; Taylor 26-2-96-3; Boswell 16-0-66-0; Curran 15-6-32-1; Snape 23-8-47-2

NORTHAMPTONSHIRE: M B Loye, R J Warren, *R J Bailey, K M Curran, T C Walton, D J G Sales, †D Ripley, J N Snape, J P Taylor, M Akram, S A J Boswell

Bonus points: Kent 3 Northamptonshire 4

Umpires: H D Bird and V A Holder

Leicestershire v Yorkshire

LEICESTER (first day of four: Yorkshire won toss): Yorkshire have scored 149 for five wickets against Leicestershire

YORKSHIRE: First Innings

M D Moxon b Mullally	21
A McGrath lbw b Ormond	28
*D Byas not out	66
D S Lehmann c Maddy b Wells	3
B Parker lbw b Wells	0
C White b Pierson	17
†R J Blakey not out	0
Extras (lb 1, lb 3, nb 10)	14
Total (5 wkts, 42 overs)	149

P J Hartley, C E W Silverwood, R D Stemp and R J Sidebottom to bat

FALL OF WICKETS: 1-41, 2-67, 3-86, 4-86, 5-146

BOWLING: Millns 9-0-36-0; Mullally 15-6-44-1; Pierson 6-3-11-1; Ormond 6-2-19-1; Wells 6-0-35-2

LEICESTERSHIRE: V J Wells, D L Maddy, I J Sutcliffe, *J J Whitaker, N C Johnson, B F Smith, †P A Nixon, D J Millns, J Ormond, A R K Pierson, A D Mullally

Bonus points: Leicestershire 2 Yorkshire 0

Umpires: N T Plews and P Willey

Middlesex v Lancashire

UXBRIDGE (first day of four: Lancashire won toss): Lancashire, with all first-innings wickets in hand, are eight runs ahead of Middlesex

MIDDLESEX: First Innings

P N Weekes c Wood b Martin	9
J H Kallis c Fairbrother b Austin	14
*M R Ramprakash c Hegg b Martin	0
M W Gatting c Flintoff b Martin	0
J C Pooley c Hegg b Martin	1
†K R Brown c Flintoff b Martin	0
O A Shah lbw b Martin	32
R L Johnson b Austin	0
J P Hewitt c Titchard b Martin	28
A R C Fraser c Lloyd b Martin	7
P C R Tufnell not out	11
Extras (lb 2, nb 14)	16
Total (38.5 overs)	118

FALL OF WICKETS: 1-16, 2-16, 3-20, 4-32, 5-36, 6-36, 7-42, 8-96, 9-101

BOWLING: Martin 14.5-4-32-6; Shadford 7-0-43-0; Austin 12-4-36-2; Keedy 5-2-5-0; Yates 1-1-0-0

LANCASHIRE: First Innings

S P Titchard not out	49
N Wood not out	67
Extras (w 2, nb 8)	10
Total (no wkt, 50.1 overs)	126

*N H Fairbrother, G D Lloyd, A Flintoff, I D Austin, †W K Hegg, P J Martin, G Keedy, G Yates and D J Shadford to bat

BOWLING: Hewitt 10-3-32-0; Fraser 11-2-33-0; Tufnell 14-2-29-0; Johnson 9.1-3-24-0; Kallis 3-1-7-0; Weekes 3-2-1-0

Bonus points: Middlesex 0 Lancashire 4

Umpires: J Holder and J C Balderstone

Sussex v Worcestershire

ARUNDEL (first day of four: Worcestershire won toss): Worcestershire have scored 185 for eight wickets against Sussex

WORCESTERSHIRE: First Innings

T S Curtis lbw b Drakes	3
W P C Weston lbw b Drakes	8
G A Hick c Martin-Jenkins b Drakes	4
K R Spiring c Khan b Kirtley	38
*T M Moody c Moores b Kirtley	43
G R Haynes c Moores b Robinson	2
D A Leatherdale c Drakes b K Newell	34
†S J Rhodes not out	20
S R Lampitt b K Newell	5
P J Newport not out	14
Extras (lb 10, w 4, nb 2)	16
Total (8 wkts, 70.4 overs)	185

A Sheriyar to bat

FALL OF WICKETS: 1-10, 2-19, 3-34, 4-102, 5-105, 6-111, 7-154, 8-162

BOWLING: Drakes 20-8-33-3; Kirtley 16.4-6-29-2; Robinson 13-2-35-1; Martin-Jenkins 5-0-25-0; Khan 5-1-24-0; K Newell 11-4-19-2

SUSSEX: C W J Athey, M T E Peirce, N R Taylor, K Newell, M Newell, R S C Martin-Jenkins, *†P Moores, V C Drakes, A A Khan, M A Robinson, R J Kirtley.

Bonus points: Sussex 3 Worcestershire 0

Umpires: A A Jones and R Palmer

Warwickshire v Surrey

EDGBASTON (first day of four: Warwickshire won toss): Surrey have scored 157 for six wickets against Warwickshire

SURREY: First Innings

J D Ratledge lbw b Welch	9
G J Kersey b Welch	16
†J Ward c Frost b Donald	18
*A J Hollioake lbw b Brown	31
A D Brown c Oster b Donald	46
C C Lewis c Kersey b Welch	9
†J A Knott not out	2
M P Bicknell not out	11
Extras (lb 4, lb 3, nb 2)	15
Total (6 wkts, 50 overs)	157

A J Tudor, I D K Salisbury and Saqlain Mushtaq to bat

FALL OF WICKETS: 1-26, 2-26, 3-51, 4-95, 5-144, 6-144

BOWLING: Donald 14-3-48-2; Welch 20-9-44-3; Giles 2-0-8-0; Brown 12.6-40-1; Smith 1-0-10-0

WARWICKSHIRE: A J Moles, *N V Knight, D L Hemp, D P Ostler, T L Penney, D R Brown, N M K Smith, †T Frost, G Welch, A F Giles, A A Donald

Bonus points: Warwickshire 2 Surrey 0

Umpires: D J Constant and K E Palmer

NO PLAY: Chester-le-Street: Durham v Hampshire

Tour match

Nottinghamshire v Pakistan A

TRENT BRIDGE (first day of three: Pakistan A won toss): Nottinghamshire have scored 298 for nine wickets against Pakistan A

NOTTINGHAMSHIRE: First Innings

P R Pollard c Javed b Shoaib	10
*R T Robinson c Javed b Abdul	18
G F Archer c Javed b Azhar	81
A A Metcalfe c Ali b Shoaib	39
M P Dowman c Javed b Azhar	3
U Afzaal c Muhammad b Shoaib	17
C M Tolley lbw b Abdul	2
†L N P Walker lbw b Shoaib	34
R T Bates c Javed b Azhar	13
P J Franks not out	29
M N Bowen not out	0
Extras (b 2, lb 4, nb 46)	52
Total (9 wkts)	298

FALL OF WICKETS: 1-23, 2-59, 3-155, 4-164, 5-193, 6-202, 7-237, 8-266, 9-279

BOWLING: Abdul Razzak 18.1-3-80-2; Shoaib Akhtar 15-2-71-4; Azhar Mahmood 26-5-69-3; Shoaib Malik 14-1-61-0; Mujahid Jamshed 1-0-11-0

PAKISTAN A: Saleem Elahi, Ali Naqvi, *Muhammad Waseem, Mujahid Jamshed, Hassan Raza, Shoaib Malik, Rana Qayyum, †Javed Qadeer, Azhar Mahmood, Shoaib Akhtar, Abdul Razzak

Umpires: B Dudleston and N G Cowley

University match

Cambridge v Oxford

LORD'S (first day of three; Cambridge won toss): Oxford, with nine first-innings wickets in hand, are 328 runs behind Cambridge

CAMBRIDGE: First Innings

J Ratledge lbw b Battarbee	19
E T Smith c Morgan b Patel	14
*A Singh c Battarbee b Patel	91
R O Jones c and b Patel	58
W J House lbw b Patel	94
O J Hughes lbw b Patel	4
†D R H Churton c Hudson b Battarbee	44
P S Jones not out	5
A N Jarosh c Morgan b Patel	4
Extras (b 2, lb 11, w 8, nb 4)	25
Total (8 wkts dec)	358

J W O Freeth and E J How did not bat

FALL OF WICKETS: 1-30, 2-48, 3-186, 4-217, 5-223, 6-351, 7-353, 8-362

BOWLING: Avens 18-1-88-0; Patel 23-3-110-6; Battarbee 16-4-56-2; Waqh 21-3-69-0; Hudson 2-0-22-0

OXFORD: First Innings

C G R Lightfoot c Churton b How	8
B W Byrne not out	10
†A P Scrini not out	3
Extras (lb 1 w 8)	9
Total (1 wkt)	30

*M A Waqh, P G Morgan, J A G Fulton, R D Hudson, C Patel, J M M Avens, L G Buchanan and C M Battarbee to bat

FALL OF WICKET: 1-25

BOWLING: P S Jones 8-2-16-0; How 7-3-13-1

Umpires: B Leadbeater and D R Shepherd



Phillips: scored 47 for Kent

FIXTURES

CRICKET

Third Cornhill Test match
11.0, first day of five, 90 overs minimum
OLD TRAFFORD: England v Australia

Britannic Assurance county championship
11.0, second day of four, 104 overs maximum
CHESTER-LE-STREET: Durham v Hampshire
CHELMSFORD: Essex v Somerset
SWANSEA: Glamorgan v Gloucestershire
MAIDSTONE: Kent v Northamptonshire
LEICESTER: Leicestershire v Yorkshire
UXBRIDGE: Middlesex v Lancashire
ARUNDEL: Sussex v Worcestershire
EDGBASTON: Warwickshire v Surrey

Tour match
11.0, second day of three
TRENT BRIDGE: Nottinghamshire v Pakistan A

University match
11.0, second day of three
LORD'S: Oxford v Cambridge

SECOND XI CHAMPIONSHIP (third day of four) Chesterfield: Derbyshire v Leicestershire (second day of three); Bristol: Gloucestershire v Surrey; Uxbridge, RAF Vine Lane: Middlesex v Sussex; Wardown Park: Northamptonshire v Kent; Worksop CC: Nottinghamshire v Essex; Taunton: Somerset v Glamorgan; Worcester: Worcestershire v Warwickshire; Todmorden: Yorkshire v Durham

MINOR COUNTIES CHAMPIONSHIP (final day of two) Cannock: Staffordshire v Cambridgeshire

OTHER SPORT

BOWLS: Men's home international and British championships (at Worthing); Scottish women's national championships (at Ayr).

GOLF: Murphy's Irish Open (at Druids Glen, County Wicklow); Lawrence Batley Seniors (at Huddersfield)

ROWING: Henley royal regatta

TENNIS: All England Championships (at Wimbledon)



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Class acts renewing their chivalrous rivalry



Sampras: record in sight

THE cheers rolled around No 1 Court like a summer storm, prompting previously silent spectators to break into a spontaneous chant. This came as some surprise to Pete Sampras, since a certain Tim Henman, the object of the crowd's affection, was nowhere to be seen.

Sampras, struggling to come to terms with the false sense of security that threatened his progress to the quarter-finals, was too preoccupied by Petr Korda's challenge to take offence. British tennis in its present guise might be a force of nature, but it would be a mistake to forget the sport's eternal verities.

The world No 1 has had his bad match, survived in five sets yesterday afternoon. The bookmaking industry, hardly a charitable institution, regards him as a short-priced favourite to win his fourth Wimbledon title in five years.

In the unlikely event of it being viewed dispassionately, today's Centre Court collision with Boris Becker has a scope beyond Henmania and a substance the transcontinental cult built around Greg the Grin will never acquire. It will be tinged with history, not tainted by hyperbole.

"This is what the game's all about for us, Boris and I," Sampras acknowledged. "Wimbledon. The grand slams. Walking out together in front of a packed house. We've had some unbelievable matches in the past. We have a lot of respect for each other and know what to expect."

Becker spoke like a kindred spirit. "I always have a similar feeling about Wimbledon," he said. "This is just 'the place'. It is the most important, the most prestigious, the oldest tournament in the world."

Michael Calvin welcomes a quarter-final clash of two of the game's greatest players

These are not rheumy-eyed traditionalists, relying on the invulnerability of hindsight. They are serial champions with a clarity of purpose developed by experience, mutual respect and a growing sense of their places in the sport's structure. Each, remember, has won Wimbledon three times.

Sampras has won ten of their 17 meetings and regards the last, a tumultuous five-set victory in the ATP finals in Hanover last November, as "one of the best matches I've ever been part of". Neither has anything to prove to the other, except perhaps their ability to redefine the depth of their desire.

"I've always admired him, how he handles being a superstar in Germany," Sampras stressed, after he had allowed Korda to keep him on court for 3hr 21min by winning third and fourth set tie-breaks. "It's so different for me in the States, where I'm kind of a regular guy. As a person and as a tennis player, Boris is a class act."

Becker, conscious of the cumulative strain of injury, believes he has another grand slam title in him and understands instinctively that this afternoon could be a pivotal occasion. He has a statesmanlike stature and the type of rational, reflective personality that earmarks him as the sport's natural successor to the late Arthur Ashe. He unashamedly hails Sampras as "a great champion" and will stir powerful emotions on the Centre Court, which he stresses is "that bit more special than any other in the world". It will be an ideal stage, because anyone with such reverence of tradition strikes a chord.

"Boris is a little older now and, in the eyes of the crowd, he might be the underdog," Sampras acknowledged. "I don't look at it this way. He's as favoured to win as I am. I am sure the fans are looking forward to a good, clean match."

When Sampras is obliged to peer into the future, he sees nothing but the past. He has won nine grand slam titles and needs three more to equal the record, held by Roy Emerson. Bjorn Borg, Rod Laver and Bill Tilden are the only other three to have won more than Sampras.

"Now I'm on my ninth title, the record has been talked of a little more," he said. "Breaking it is something that I've talked about and thought about, because it is realistic that I could do it. I'm 25 and I feel I have five, six, seven years left in my career. But at this point I'm not worrying about anything but playing Boris."

Inevitably, before he left to prepare, Sampras was prevailed upon to anoint Henman as The Next Big Thing. Being an essentially decent man, he duly obliged. "Tim's playing very well," he said. "When you've got that level of support from the fans, it can raise the level of your tennis. Last year, he came out of nowhere and he's proved he's for real. He's here to stay."

So, for the record, is Pete Sampras.

Kournikova passes with flying colours

SIMON BARNES



At Wimbledon



Kournikova bounds across court to attempt a forehand pass during her impressive victory over Majoli yesterday. Photograph: Gill Allen

Let us be controversial today. No, let us be downright perverse. Let us start off by talking about Anna Kournikova's tennis. We will get down to the knickers in due course, but let us first talk about forehands and backhands.

Kournikova, of Russia, unseeded and 16, took on Iva Majoli, of Croatia, seeded No 4 and aged 19. Kournikova prevailed in the face of form and expectation and, to the shutter-clattering delight of the courtside photographers ("*great* knicker shot"), won 7-6, 6-4.

It was a match of revealing contrasts. With the intense, almost hysterical concentration of these two teenagers, one was reminded irrestibily of exams. Majoli was like the class swot doing her A levels: Kournikova like a teacher's pet doing her O levels.

They approach their exams in different ways, these schoolgirls. Majoli plays her tennis by the rote method. "Here, Shakespeare makes it clear that Polonius is an old man . . ." She has studied how to pass, read all her *Key Facts* crib-sheets and she knows that if you do enough work and don't forget your lessons, you generally pass.

Her game is based on the principle of the metronome. Whack it to one side, whack it to the other. Sooner or later, your opponent will make a mistake. If you keep on and on banging the ball, it becomes inevitable that she will make more mistakes than you. So you will win. It won't be pretty, but it *will* be victory.

It is a philosophy that has brought her within touching distance of a top-three spot, but yesterday she came up against a schoolgirl who has a *real feeling for her subject*. Kournikova has flair, invention, courage to try things and, when she gets a bit of height to play with, she has a forehand to die for. It travels hard, fast and *downwards*, a tracer bullet of a shot. She delivers it like a Dostoevsky heroine slapping the face of a faithless lover.

You had to be sorry for Majoli — or Iva the Diva, as she is nicknamed, for her locker-room fits of grandeur. This really was the draw from hell. For there happens to be a very well-kept secret in Majoli's life: It is the great skeleton in her cupboard and, in revealing it, I believe I have something of a world scoop.

Here is comes: *Majoli is the French Open champion*. No, really, I mean it. This year's, yes, she outbiffed Martina Hingis in the final. Most people with an interest in tennis will remember Hingis's defeat; only real buffs will remember Majoli's victory.

Now this is not something that gives Majoli deep and lasting pleasure. She is not one of those Sampras-like players who revel in a peculiar kind of stellar anonymity. She feels hurt, unwanted, unloved, uncherished. The school swot wants to be teacher's pet and feels that she has a right to be loved as well as admired.

And she has spoken up about this loud and clear — complained that the Women's Tennis Association (WTA) is *keener on pushing its marketable* kids than on cherishing its champions. They work to the detriment of those who have worked, sweated and actually won something.

Majoli mentioned Venus Williams, who is unquestionably promising, American and black — but has done nothing. And she mentioned Kournikova, won nothing, but looks a million dollars. Literally. Needless to say, these remarks did not go unappreciated by Tsarina Anna and her equally unserf-like mother.

So there were a few meaningful looks on court, a marked tendency to walk about a bit when your opponent was about to serve. It was a pouting match and though *you would always have* backed Kournikova to win a pouting contest, the fact is that she also had the edge in tennis.

And in knickers. Back in the 1960s — at the period when they were swinging rather than during the follow-up to the Summer of Love — Mary Quant remarked that the focal point of modern male and female fashion was the crotch. It was a fearfully scandalous thing to say at the time.

Short skirts come and go in street fashion, but they cannot do without them in tennis, which has made knickers a vital fashion item since the days of Gussie Moran. Frills are rather *vieux jeu* these days, but the Kournikova fashion statement is black knickers *beneath a white dress. The* effect of this startling and determinedly eye-catching contrast might be more obvious if she carried a notice that said "please look at my knickers" — but only might.

But then Kournikova does not exactly play it as a little *innocent*. Stalking through Roland Garros at the French Open this year (did you know that some one called Majoli won it, by the way?) she was wolf-whistled at by a pair of chaps aware that Paris has its sordid reputation to keep up. She tossed them a contemptuous look over her shoulder and said: "You could not afford me." No wonder the WTA is so keen on promoting her.

Showing what she is made off *is rather Kournikova's stock-in*trade — she was photographed in one of the Sunday papers with about a foot and a half of naked midriff on display — but yesterday she added more than a spot of tennis to the equation. She has a great appetite for the ball and a desire to work magic with it.

Whether she will have quite enough ammunition to get past Martina Hingis in the semi-final is another matter altogether, but with her victory yesterday, Kournikova showed that she has arrived. We will see a great deal more of the tsarina. Tennis, I was talking about tennis.

Tarango bows out on his best behaviour

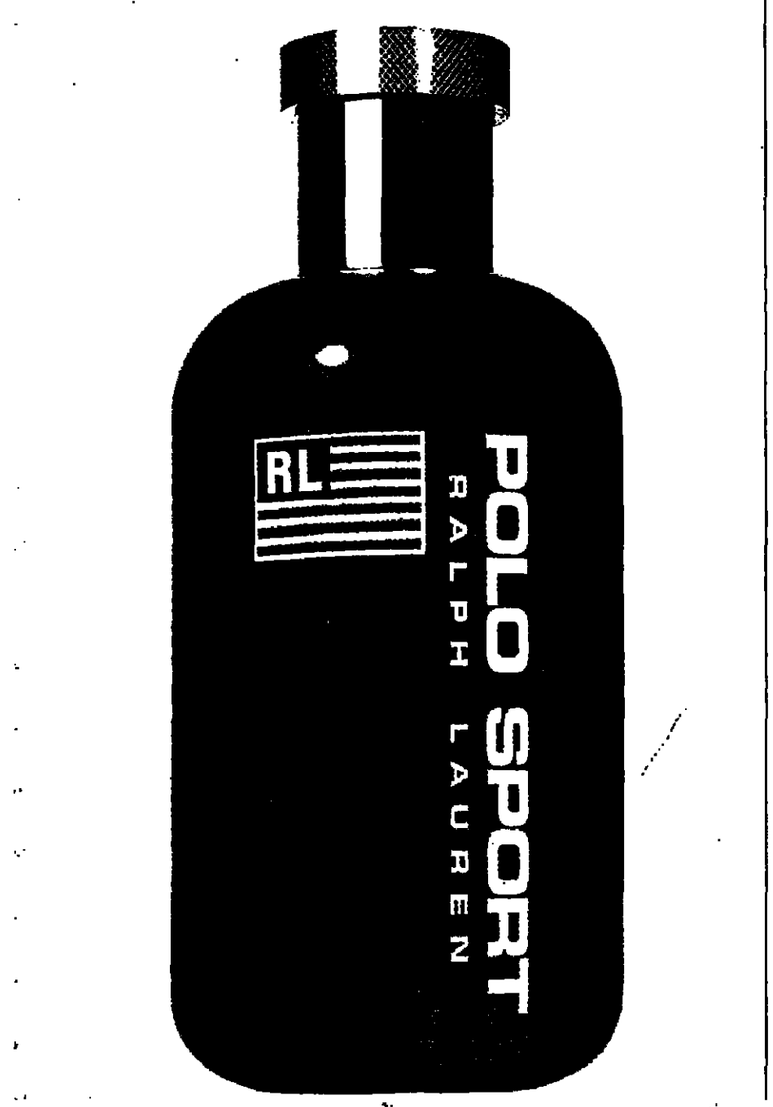
BY NICK SZCZEPANIK

JEFF TARANGO has acquired something of a reputation over the years: talented but wayward, at odds on different occasions with both umpires and opponents. Yesterday, however, although the American finished on the losing side, he and his doubles partner, Jens Knippschild, of Germany, had nothing much to bellyache about.

They lost, but then they probably expected to — they were playing against the No 1 men's doubles seeds and hottest of favourites, Mark Woodforde and Todd Woodbridge, of Australia. The Woodies are akin to a force of nature, you might as well complain about a volcano or an earthquake. True, Knippschild and Tarango had two break points in the second game of the second set and could have pulled back an *earlier break, but the* Woodies, as they usually seem to, pulled things around.

There was a disputed call by a line judge, but it was against the German and when the official received a hard stare, it was Tarango who came over to act as peacemaker — some *mistake, surely?*

In the seats, there was an Australian cheering section, but the largest following for a doubles pairing is for the other Australians, Mark Philippoussis and Patrick Rafter, who attract an international crowd, mostly female, for some reason. Yesterday they advanced to the quarter-finals at the expense of Stolle and Suk before a packed No 18 Court, the new show court. Also through are Neil Broad, of Britain, and Piet Norval, of South Africa, who were straight-sets winners against the number six seeds, Ferreira and Galbraith.



RESULTS FROM THE ALL ENGLAND CHAMPIONSHIPS

Men's singles
Winner: £415,000
Runner-up £207,500
Holder: R Krajicek (Holl)
Fourth round
P SAMPRAS (US) bt P KORDA (Cz) 6-4, 6-3, 6-7, 6-7, 6-4
T HENMAN (GB) bt R KRAJICEK (Holl) 7-6, 6-7, 7-6, 6-4

Men's doubles
Winners: £170,030
Runners-up: £85,010
Holders: T A Woodbridge (Aus) and M Woodforde (Aus)
Third round
J BJORKMAN and N KULTI (Swe) bt R LEACH and J STARK (US) 6-2, 3-6, 6-3
N BROAD (GB) and P NORVAL (SA) bt E FERREIRA (SA) and P GALBRAITH (US) 7-5, 7-6
D JOHNSON and F MONTANA (US) bt S Noteboom and F Wibier (Holl) 6-4, 6-4
W Black (Zim) and J Grabb (US) bt B Behrens (US) and C Haggard (SA) 7-5, 6-1
T A WOODBRIDGE and M WOODFORDE (Aus) bt J Knippschild (Ger) and J Tarango (US) 7-5, 6-4
M PHILIPPOUSSIS and P RAFTER (Aus) bt S STOLLE (Aus) and C SUK (Cz) 6-4, 7-6
M DAMM and P VIZNER (Cz) bt M KNOWLES (Bah) and D NESTOR (Can) 6-4, 6-4
J ELTINGH and P HAARHUIS (Holl) bt S Groen (Holl) and S Hinzon (Cro) 7-6, 6-4
Second round
ELTINGH and HAARHUIS bt M Cindrulka and G Stafford (SA) 6-4, 6-3
Tuesday's late result
WOODBRIDGE and WOODFORDE bt B MacPhie (US) and G Muller (SA) 6-4, 6-2
PHILIPPOUSSIS and RAFTER bt H Holm and N Holm (Swe) 6-3, 6-4

Women's singles
Winner: £373,500
Runner-up: £186,750
Holder: S Graf (Ger)
Quarter-finals
M HINGIS (Switz) bt D Chladkova (Cz) 6-3, 6-2
A Kournikova (Russ) bt I MAJOLI (Cro) 7-6, 6-4
J NOVOTNA (Cz) bt Y Bazuki (Indo) 6-3, 6-3
A SANCHEZ VICARIO (Sp) bt N Tauziat (Fr) 6-2, 7-5
Fourth round
Tuesday's late result
MAJOLI bt I SPIRLEA (Rom) 6-7, 6-1, 9-7
Kournikova bt H Sukova (Cz) 2-6, 6-2, 6-3

Women's doubles
Winners: £147,010
Runners-up: £73,270
Holders: M Hingis (Switz) and H Sukova (Cz)
Third round
E S H Callens (Bel) and G Helgeson-Nielsen (US) bt A FRAZIER and K PO (US) 7-5, 6-3
M J FERNANDEZ and L M RAYMOND (US) bt K M ADAMS and L M McNEIL (US) 6-1, 7-6
L A DAVENPORT (US) and J NOVOTNA (Cz) bt A FUSAI (Fr) and R GRANDE (It) 6-1, 6-1
M HINGIS (Switz) and A SÁNCHEZ VICARIO (Sp) bt C RUBIN (US) and B SCHULTZ-McCARTHY (Holl) 7-6, 6-7, 13-11
Tuesday's late result
S APPELMANS (Bel) and M OREMANS (Holl) bt Y BAZUKI (Indo) and C M VIS (Holl) 7-5, 6-1
Second round
N KIJIMUTA and N MIYAGI (Japan) bt A Kournikova and E Likhovtseva (Russ) 4-6, 6-2, 7-5
Tuesday's late result
Callens (Bel) and Helgeson Nielsen (US) bt A Huber (Ger) and M Seles (US) 6-2, 6-4

Mixed doubles
Winners: £72,200
Runners-up: £36,100
Holders: C Suk (Cz) and H Sukova (Cz)
Second round
K Braasch and B Rittner (Ger) bt K Jones (US) and K Kunce (Aus) 6-2, 5-7, 6-4
W Arthurs (Aus) and T Krizan (Slovenia) bt P ALBANO and M Paz (Arg) 6-4, 6-2
M Bamard (SA) and K Boogert (Holl) bt A O'BRIEN and C MORARIU (US) 2-6, 6-4, 6-3
M BHUPATHI (India) and R HIRAKI (Japan) bt F Mesaon and F Perlotti (It) 3-6, 7-5, 6-3
L Paes (India) and R Dragomir (Rom) w/o M KNOWLES (Bah) and A KOURNIKOVA (Russ) scr
K Kinnear (US) and N Miyagi (Japan) bt L B JENSEN (US) and K M ADAMS (US) 7-5, 6-4
D ADAMS (SA) and A FUSAI (Fr) bt G Raoux (Fr) and L Golarsa (It) 6-3, 6-4
G CONNELL (Can) and L A DAVENPORT (US) bt D Orsanic and F Labat (Arg) 6-3, 6-3
T Middleton and L M McNeil (US) bt M Mirnyi (Bela) and E Likhovtseva (Russ) 7-6, 6-4
First round
A O'BRIEN and C MORARIU (US) bt D MacPhonson and R McQuillan (Aus) 6-7, 7-6, 13-11
P ALBANO and M PAZ (Arg) bt A Kratzmann and K-A Guse (Aus) 6-2, 6-4
M Keil and G Helgeson Nielsen (US) bt P Kilderry (Aus) and S Testud (Fr) 4-6, 6-0, 6-3
T Nilsson (Holl) and Y Bazuki (Indo) bt L PIMEK and S APPELMANS (Bel) 7-5, 4-6, 6-1
S STOLLE (Aus) and M J FERNANDEZ (US) bt C Brandi (It) and A Dechaume-Balleret (Fr) 7-6, 3-6, 7-5

Men's over-35 doubles
Winners: £14,000
Runners-up: £11,000
Holders: W J Fibak (Pol) and T Wilkinson (US)
First round (round robin)
W J Fibak (Pol) and T Wilkison (US) bt P B McNamara and P F McNamee (Aus) 6-3, 6-4
A A Mayer and G Mayer (US) bt M R Edmondson and R J Frawley (Aus) 6-1, 6-3
H Pfister and L Shiras (US) bt C Dowdeswell and C J Mottram (GB) 6-1, 6-7, 10-8
J B Fitzgerald (Aus) and A Jarryd (Swe) bt A M Jarrett (GB) and J R Smith (GB) 4-6, 6-1, 6-2
Tuesday's late result
H Guenthardt (Switz) and B Taroczy (Hun) bt M Bahrami (Iran) and P Dupre (US) 7-6, 6-1

Men's over-45 doubles
Winners: £11,000
Runners-up: 8,750
Holders: J Alexander (Aus) and P Dent (Aus)
First round
B E Gottfried and T R Gullikson (US) bt R L (Aus) and G Masters (Aus) 6-4 6-2

Women's over-35 doubles
Winners: £10,000
Runners-up: £7,500
Holders: J Durie (GB) and A Smith (US)
First round (round robin)
W M Turnbull (Aus) and S V Wade (GB) bt M Jausovec (Slovenia) and Y Vermaak (SA) 6-3, 6-4
H Mandlikova (Aus) and J C Russell (US) bt R Niddetr (SA) and S Walsh (US) 6-1, 6-3

Boys' singles
Holder: V Voltchkov (Bela)
First round
X Malisse (Bel) bt Z Papp (Hun) 6-3, 6-3; J Lisnard (Fr) bt D Mullins (Ire) 6-2, 6-2; D Elsner (Ger) bt J Haehnel (Fri 6-4, 6-2; D Sherwood (GB) bt L Chramosta (Cz) 6-3, 6-2; B Vahaly (US) bt F Bebej (Slovakia) 6-4, 3-6, 6-3; F Luzzi (It) bt S Lee (S Kor) 6-3, 6-7, 6-4; A Simoni (Br) bt P Srichaphan (Thai) 6-3, 4-6, 6-1; J Christiansen (Swe) bt R Rizo (Mex) 3-6, 6-2, 6-4; W Whitehouse (SA) bt A Qureshi (Pak) 6-4, 6-3; T Messmer (Ger) bt N Healey (Aus) 7-6, 3-6, 6-4; L Hewitt (Aus) bt A Ram (Isr) 6-3, 6-2; O Rochus (Bel) bt V Romero (Mex) 6-3, 6-2; I A Bates (GB) bt J van de Westhuizen (SA) 7-5, 6-4; R Vik (Cz) bt N Grujalovic (Yug) 6-1, 7-5; K Ivanov-Smolenski (Russ) bt J Adelsusson (Swe) 6-3, 6-3; N Massu (Chile) bt F Wichlyanto (Indo) 6-3, 6-3; T Terachi (Japan) bt L Kutanjac (Cro) 4-6, 6-3, 6-4; F Cardinali (Arg) bt D Sciortino (It) 7-5, 6-3; J Jeanpierre (Fr) bt B Vaci (Hun) 6-3, 6-2; M Llodra (Fr) bt J Ilowski (Pol) 7-5, 6-3; A Barnes (GB) bt S Zaher (Egypt) 4-6, 6-2, 6-2

Girls' singles
Holder: A Moureisma (Fr)
First round
S Rizzi (Fr) bt L Herbert (GB) 7-5, 6-2; C Black (Zim) bt M Niro (Thai) 6-2, 6-2; B Colosio (Br) bt M Inoue (Japan) 7-6, 4-6, 6-4; A Terdoit (GB) bt K Chevalier (Fr) 2-6, 6-0, 6-3; H Collin (GB) bt S Taylor (US) 6-2, 6-2; E Dyrberg (Den) bt A Pillay (SA) 6-3, 6-3; B Stewart (Aus) bt J Singlan (US) 7-5, 6-4; M Matevzic (Slovenia) bt E Syssoeva (Russ) 7-5, 3-6, 7-5; K Elliot (GB) bt D Krstulovic (Cro) 7-5, 6-3; J Henin (Bel) bt T Callow (GB) 6-2, 6-2; H Farr (GB) bt G Lastra (US) 4-6, 7-5, 6-3; I Visic (Cro) bt J White (GB) 6-3, 7-5; J Woehr (Ger) bt C Caetano (Col) 6-4, 6-1; R Fujiwara (Japan) bt G Voleikova (Slovakia) 6-3, 6-4; N Grandin (SA) bt L Wood (GB) 6-1, 6-4; K Srebotnik (Slovenia) bt H Daniilidou (Gr) 7-5, 6-3; M Irvin (US) bt P Amangolz (Mex) 6-4, 6-3; I Selitutina (Kaz) bt B Braverman (US) 4-6, 6-2, 6-2; M Sequera (Ven) bt J Osman (GB) 6-3, 7-6; A Rippner (US) bt O Reinsk (Pol) 6-1, 6-3; Y J Cho (S Kor) bt L Sánchez (Fr) 3-6, 6-1, 6-2; L van Rooyen (SA) bt S Lydon (GB) 7-6, 6-0; Z Gubasic (Hun) bt I Bracun (Cro) 6-1, 6-2; E Dominikovic (Aus) bt R Tepperberg (Isr) 6-2, 6-4; M Iversen (Den) bt C Coombs (GB) 6-0, 6-4; R Sandu (Rom) bt N J Woodhouse (GB) 1-6, 2-6; C Popescu (Can) bt S Untekova (Slovakia) 6-7, 7-6, 6-3; A Morigami (Japan) bt W Prakusya (India) 6-2, 7-6

Stich still hopeful of one last hurrah

BY OUR SPORTS STAFF

MICHAEL STICH, the 1991 men's singles champion, reiterated yesterday that whether or not he goes on to win a second title at Wimbledon this year, he will not return as a player.

Stich, who plays Tim Henman today for a place in the semi-finals, was the world No 2 in 1993 but is now languishing at No 88 in the rankings and took the decision that this would be his last year of active competition because of a persistent shoulder injury.

"The pain comes and goes," Stich said after his victory in the fourth round over Mark Woodforde. "My decision to retire won't be affected, however, whatever my result here, and I have no intention of playing at the United States Open.

"I would love to win this title," he said, adding mischievously, "then I could see next year what the All England Club is going to do, because the defending champion cannot open the tournament on Centre Court on the first Monday."

Stich still retains the confidence that won him the title six years ago: "I won this tournament once before and it was no accident. Of course I am able to do it again."

☐ *Steffi Graf, unable to compete at Wimbledon this year because of surgery to her knee, will fall to her lowest world ranking since March 1986 next week. Jana Novotna, of the Czech Republic, will move up to No 2 whether or not she beats Arantxa Sánchez Vicario in the semi-final today, while Monica Seles will be No 3 and Iva Majoli No 4. Graf could fall to No 6 if Sánchez Vicario goes on to win the tournament.*

Annie Liebowitz, the famous American photographer, has been at Wimbledon this year for the purposes of doing a photo spread with Martina Hingis. However, she has been unimpressed with the welcome that she has received from the All England Club.

"I get the impression it's very difficult for a journalist or photographer to work here," Liebowitz said yesterday. "I would prefer a much smaller venue. I look at the photographers in the pit in one place, working with long lenses and I feel for them . . . I'm glad I get to do my work in controlled shoots."

TODAY

CENTRE COURT (noon start): Miss M HINGIS (Switz) v Miss A Koumikova (Russ); P SAMPRAS (US) v B BECKER (Ger); Miss J NOVOTNA (Cz) v Miss A SÁNCHEZ VICARIO (Sp).

No 1 COURT (11.0): G Rusedski (GB) v C Pioline (Fr); M Stich (Ger) v T HENMAN (GB).

No 2 COURT (11.0): N Kieler (Ger) v T A Woodbridge (Aus).

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ROWING: HENLEY STEWARDS FORCE LEADING AMERICAN TO FORSAKE RED, WHITE AND BLUE

Bold Haining throws down gauntlet

BY MIKE ROSEWELL
ROWING CORRESPONDENT

PETER HAINING, the triple world lightweight champion, came safely through his heat in the Diamond Sculls on the opening day of Henley Royal Regatta yesterday, but only after shaking off a stubborn challenge from Derek Atkins, 21, from Nottingham.

Haining, who confused the Stewards by embarking at Upper Thames RC rather than the boat tents, led off the start into a tough headwind, but Atkins, 6ft 4½in and more than a stone heavier, pulled back to level and there were only a few feet between them just before Fawley.

"Peter is in his groove now," said Marysh Chmiel, Atkins's coach, who was colleague of Haining's in the winning Nottingham crews at Henley in 1989 and 1990. Chmiel was right and Haining, forced to stop in some recent races because of breathing problems, went on to win by a length, easing up before the line.

The Scotsman, now sporting a beard, resorted to his inhaler after crossing the line, but seemed pleased with his efforts. "Tell the other scullers they have got a race on their hands. Every day, it's getting better. The wee magic is coming back," he said.

The selected scullers enter the fray today and Haining faces one of them, Nick McDonald-Crowley, from Australia. Several other non-selected scullers also showed grit yesterday. Paul Hone, of London, Simon Spriggs, from Australia, Serryth Colbert, of Ireland, and the German, Ulf Meyer, who were all behind at the halfway mark but finished as winners.

Oliver Griffiths, of Chester, who led from start to finish to win his race, today meets Greg Searle, who is to be sponsored through to the Sydney Olympic Games by Colonial, the Australian financial services company.

Spriggs is paired with the top American, Jamie Koven. Having entered from Brown University, Koven was required by the Stewards to paint out the national red, white and blue on his sculls and revert to his university's brown and white. Koven, like Greg Searle, has converted to sculling this year after a successful rowing career, which saw him win three times at Henley.

The first selected crew to lose hopes of a medal were the unfortunate schoolboys from St Andrews, Delaware, in the Princess Elizabeth Cup. Racing Canford, the Americans, according to the official recorder, "were clearly destined to win until they caught a crab at the Mile and Eighth. A second crab slewed them into the booms". Canford, who were trailing by 1½ lengths, paddled past to win, maintaining their Henley giant-killing reputation, although their headmaster, John Lever, a Cambridge blue in 1973, said: "You do not like winning like that."

The most eye-catching race in the Wyfold coxless fours was between London and Worcester, two crews many thought should have been selected. They were neck and neck until the higher-rating London crew eased ahead up the Enclosures.

A good omen for the London University crew selected in the Britannia coxed fours was that Dominic Hill, who stroked Bentham BC, the crew they beat yesterday, has lost to the eventual winners of this event every year since 1993.

There were no big upsets in the Thames Cup eights, although it was difficult not to feel sorry for Bedford RC, who found themselves out of Henley at 8.37am, having lost a classic encounter with Nottingham and Union by a margin of 2ft.

Five more events begin today, including the Silver Goblets pairs and the women's sculls, providing a sight of Rob Thatcher and Ben Hunt-Davis, leaders of the World Cup pairs, and the Olympic finalist, Guin Batten.



Haining, newly-bearded, pulls clear from a stubborn opponent to win his heat in the Diamond Sculls yesterday. Photograph: Adrian Sherratt

RESULTS FROM HENLEY ROYAL REGATTA

Thames Cup

Holders: Neptune (Ire)

First round

Nottingham and Union bt Bedford 2ft, 7min 03sec
Thames Tradesmen's bt Molesey 1¾l, 7:08
Vesta bt Agecroft ¾l, 6.55
Garda Siochana (Ire) bt Upper Thames B 3l, 7:05
Castle Semple bt Bewl Bridge 4l, 7:02
St Catharine's (Can) bt Stanford (US) 1¾l, 6.58
Furnivall Sculling Club bt Mitsubishi (Japan) ½l, 7:10
Thames Tradesmen's A bt Auriol Kensington 4¾l, 7:02
Upper Thames A bt Reading 1½l, 6:47
Neptune (Ire) bt York City 3¼l, 7.12
Essen-Kupferdreh (Ger) bt Walton 1¼l, 7:25
Nottingham A bt Sydney (Aus) 2¼l, 6:53
London bt Angaria Hannover (Ger) 2¼l, 6:56
Wiking Berlin (Ger) bt Monmouth 4¼l, 7:04
The Tideway Scullers School bt Defence Forces RA (Ire) ½l, 7:01

Princess Elizabeth Cup

Holders: Brentwood College School (Can)

First round

Pangbourne bt Shrewsbury B by 1½l, 7min 12sec
St Paul's bt Abingdon B 3¼l, 7:21
Eton bt The Oratory 2l, 7:20
Hampton A bt Monkton Combe 4½l, 7:18

Henley '97

Brooks Sch (US) bt Hampton B ¾l, 7:05
Shrewsbury A bt Radley B 4l, 7:08
Radley A bt Cheltenham 1½l, 7:10
Abingdon A bt King's, Chester ¾l, 7:08
St Edward's bt Bedford A 1l, 7.13
Canford bt St Andrew's Sch (US) nro, 7:20
Oundle bt King's, Canterbury 1½l, 7:25
Bedford B bt Bedford Modern A 1¼l, 7:44
Westminster bt King's College Sch easily, 7:33

Temple Cup

Holders: Yale University (US)

First round

Cherwell bt Bath Univ easily, 7min 28sec
Durham Univ B bt Nephthys B 1¾l, 7:25
Univ of Bristol bt Univ of Wales Coll, Cardiff 2¾l, 7.11
Brasenose Coll and St Edmund Hall, Oxford bt Exeter Univ 3½l, 7:08
Reading Univ bt Southampton Univ easily, 7:05
New Coll, Oxford bt Exeter Coll and Pembroke Coll, Oxford ½l, 7:08
Durham Univ A bt Somerville Coll, Oxford easily, 7:12
Queen's Univ, Belfast bt 1st & 3rd Trinity, Cambridge ½l, 7:10
University Coll, Dublin (Ire) bt Queens' Coll and Robinson Coll, Cambridge 4½l, 7:25
Jesus Coll, Cambridge bt Newcastle Univ 4l, 7:27
Queen's Coll, Oxford bt Hautes Etudes Commerciales (Fr) 2½l, 7:25
Eton bt Nottingham Trent Univ 3l, 7.14
Cambridge Univ Lightweights bt Pembroke Coll, Cambridge easily, 7:23

Wyfold Cup

Holders: Queen's Tower

First round

The Tideway Scullers School bt Weybridge easily, 7min 47sec
Worcester bt London 1¼l, 7:20
Univ of London Tyrian B bt Cambridge 99 2¾l, 7:58
Queen's Tower bt NatWest Bank 2l, 7.50
Quintin bt Thames 2½l, 8.11
Commercial bt Kingston B easily, 7:32
Twickenham bt Broxbourne 3l, 7:40
Univ of London Tyrian A bt Cygnet 4l, 7.56
Clyde Amateur bt Staines 4½l, 7.52
Sydney bt Kingston A canvas, 7:42
Nottingham bt Molesey B 3¼l, 7:55

Britannia Cup

Holders: Oxford Brookes University

First round

Univ of London bt Bentham easily, 7min 38sec
Staines bt Thames A 2½l, 8:08
Thames B bt Northwestern Univ (US) 2½l, 8.00
Cambridge 99 bt Marlow 2¾l, 7:51
Strathclyde Univ bt Univ of Minnesota B 4¾l, 7.39
Molesey bt London 1¼l, 7.43
Univ of Minnesota A (US) bt Royal Chester 1¾l, 7:40
Imperial Coll, London B bt US Military Academy nro, 8:12
Trinity Coll, Dublin bt Edinburgh Univ 2½l, 7:47
Hansa Hamburg (Ger) bt Durham Univ easily, 7.44
St Andrew bt New Orleans (US) 1¼l, 7.59

Diamond Sculls

Holder: M L O Vervoorn (Holl)

First round

G C S Smith bt R M Rogers easily, 8min 51sec
P A Hone bt A van den Broek 3½l, 8.40
O Griffiths bt R O Allen 5l, 9.00
S D Spriggs bt R Ayliffe 2¼l, 8.39
S Colbert bt P Cobbett easily, 8.41
P M Haining bt D Alluns 1l, 8.40
G Monnickendam bt N P Gardam easily, 8.52
U Meyer bt A E Gaylard easily, 9.19

RUGBY UNION

Lions forced to contemplate double change

FROM DAVID HANDS IN VANDERBIJLPARK

EVEN though the historic possibility of a 3-0 whitewash of South Africa awaits them, the British Isles will be forced to change their team for the final match of their tour, in Johannesburg on Saturday. Injury will rule out Keith Wood and Alan Tait, who both played in the internationals in Cape Town and Durban, while three more players cannot be considered.

Wood, the Ireland hooker, has a groin injury and his place, when the Lions name their XV today, is likely to go to Barry Williams, of Richmond, despite Mark Regan's lively display against Northern Free State on Tuesday. Tait, who played on the left wing, has a similar injury, which should profit Tony Underwood, his Newcastle colleague, whose three tries on Tuesday made him the tour's joint-top tryscorer, with John Bentley, on seven.

Eric Miller, the Ireland No 8, who made a brief appearance as a replacement in Durban, aggravated a thigh strain in training on Tuesday while Jason Leonard and Kyran Bracken are also out of contention. Leonard tore a thigh muscle against Northern Free State and must rest for a month, which will remove him from England's meeting with Australia on July 12; Bracken suffered a sprung collarbone on Tuesday, but should be fit to join up with England next week.

"We still have enormous playing strength in the squad and every player is playing well," Fran Cotton, the manager, said. He emphasised his delight with a playing record of 11 wins from 12 matches by suggesting that these Lions have achieved more than the New Zealand tour party of last year that beat South Africa away from home for the first time. "I don't think the All Blacks would have come out of this tour with that record, given the teams their midweek side played," he added.

Wood, whose dynamism has been integral to the Lions' success, expressed his regret that he would miss the final game: "The initial reaction after we had won the series in Durban was that it wouldn't matter, but it does," he said. "We have an opportunity to win 3-0 and you have to grasp it, however difficult it may be. This is as good as it gets. If you can beat South Africa 3-0 — and that is not a foregone conclusion — that's history."

There will be no citing of players by the Lions after the 67-39 win over Northern Free State, although Cotton would have done so after the second international with South Africa had he been able to study video evidence of that game earlier. A punch by Fritz van Heerden created a gash over Tim Rodber's eye that required six stitches, the incident coming at the ruck from which Jeremy Guscott kicked the winning dropped goal.

"I think Van Heerden was a very lucky man and it would have been justice if the referee had added a penalty," Cotton said. However, he admitted that incidents during the game at Welkom on Tuesday had not been as serious as he first believed: "Any use of the boot on bodies is unacceptable," he said after reviewing the match video, "but I don't view them as serious enough to warrant citing any player."



Wood: groin injury

Instead, the Lions management will alert Northern Free State executives to those incidents that have caused them concern, the timing of those incidents and the players that they believe to be responsible, with a suggestion that appropriate action should be taken. Given that their hosts on Tuesday, players and officials, were genuinely surprised at accusations of foul play and saddened by the suggestion that their ground was inadequate for visiting touring teams, it seems doubtful that the Lions' reaction will do more than leave a sour taste in local mouths.

☐ Andrew Mehrtens has failed to recover from a hamstring injury and will be replaced as the New Zealand stand-off for the international against Australia in Christchurch on Saturday by Carlos Spencer, of Auckland.

Wales enjoyed a healthy start to their tour of North America on Tuesday, beating a United States South XV 94-3 in Charlotte. Lee Jarvis, of Cardiff, scored 34 points.

SPORT IN BRIEF

Henry makes mark

JEREMY HENRY, 23, from Portrush, won the singles title at the British Isles bowls championships in Worthing yesterday, beating Dai Wilkins, the Welsh champion, from Pontrhydyfen, 21-6, in the final.

In the triples final, Paul and Brian Daly helped Davie Hamilton of Belfast's Belmont Club to an exciting 17-16 win over John and Jonathan Britton and Brenig Powell, of Pontryhdyfen, after the Welsh trio had led 16-7.

The fours title was won for the second time by the Weale brothers — Stuart, Brian, David and Robert — from Presteigne in Wales, while Alan Gilmur and Gary Mackie, from Kirkcaldy in Scotland, lifted the pairs prize.

Hockey: England's women forced a 1-1 draw against Australia, the world and Olympic champions, in a six-nations' tournament in Seoul, South Korea, yesterday. Michelle Andrews put Australia ahead just before the interval and Jane Sixsmith equalised four minutes from time.

Sailing: Mark Turner's Mini-Fastnet race came to an abrupt end yesterday when the mast on *Carphone Warehouse* snapped as he was surfing back to France in fifth place, having rounded the Fastnet Rock. Turner was off Land's End last night and thought to be attempting to get to the finish under jury rig. Ellen MacArthur, on *Le Poisson*, moved up from fourteenth to eleventh.

EQUESTRIANISM

British trials gather appeal

THE British horse trials championships at Gatcombe Park in August will have a new sponsor, Doubleprint, and enhanced international status having been accorded the Concours International Combined (CIC) three-star rating (Jenny McArthur writes).

The trials, now in their fifteenth year, are organised by Captain Mark Phillips, who welcomed the new status yesterday. "It puts us firmly on the international map and should attract an even stronger list of entries," he said.

An added incentive is a £2,000 bonus for the competitor gaining the highest points at Gatcombe and the Chantilly CIC, held last month.

ATHLETICS

Perec faces seasonal decision

FROM DAVID POWELL, ATHLETICS CORRESPONDENT, IN LAUSANNE

THE posters around town featured Michael Johnson, saying: "Are you ready? I am." Johnson, though, had withdrawn six days earlier from the International Amateur Athletic Federation grand prix meeting here last night.

In Johnson's absence, the question at *Athletissima 97* was whether Marie José Perec would be ready — not for a world record at 400 metres, but whether her performance here would persuade her to carry on this season. She said at the weekend that if she had a poor run here, she would quit for the summer.

Perec beat Johnson by 15 minutes to the completion of an Olympic 200 metres and 400 metres double in Atlanta last year and, like him, last month faced a personal sporting crisis. Their troubles came to a head in Paris last week when Johnson finished fifth in the 400 metres, losing his seven-year unbeaten record, while Perec came seventh in the 200 metres and was jeered by her home crowd when she offered injury as an excuse. Johnson scrapped his European racing programme and returned to the United States for training while Perec went to Lille and managed only third place in a 200 metres race in 22.67sec.

While she complains of a stress fracture in her left leg, which is evidently not restricting her appearances in well-paid races — she is being paid $100,000 to appear as a double Olympic champion — it appears the greater fracture is within her head. In the off-season after the Olympic Games, she lacked the incentive to train.

Indeed, Perec has never taken readily to hard work. Jacques Piasenta, who coached her to the 400 metres world championship in 1991 and her first Olympic gold medal a year later, was dropped because she grew tired of his strict regime.

Of her post-Atlanta depression, Perec herself merely said: "I am not fed up with athletics, but after the Games, it is difficult to find another challenge." One may await her tonight.

WORD-WATCHING

Answers from page 49

VALSALVA
(a) The action in which an attempt is made to exhale air while the nostrils and mouth, or the glottis, are closed, so as to increase pressure in the middle ear and chest. An eponym from the name of Antonio M. Valsalva (1666-1723), Italian anatomist. *Lancet*, **1977: "In shallow diving an over-forceful Valsalva manoeuvre may give rise to neuro-sensory hearing loss, with or without vertigo."**

SHAGANAPPI
(b) Originally thread or cord made from rawhide. Also, cheap, inferior, makeshift. From the Amerindian language Ojibwa. W. O. Mitchell *Jake & Kid*, **1961: "At the Rabbit Hill school last night, folks heard a shaganappy speech."**

DOVEKIE
(c) Once upon a time an arctic bird, the Black Guillemot. Now normally the little auk, *Plautus alle*. **The Scottish diminutive meaning a little dove. Fisher & Lockley.** *Sea-Birds*, **1954: "Among the auks the dovekie and the Brunnick's guillemot from the north join the puffins, razorbills and guillemots in ocean wanderings."**

KABELJOU
(b) A large marine food fish, *Johnius hololepidotus*, **of the family Sciaenidae. Afrikaans for the early medieval Dutch word for a dried cod-fish.** *Cape Times*, **1950: "Last week-end kobeljouw catches were kept down by the difficulty of casting into the teeth of the wind."**

SOLUTION TO WINNING CHESS MOVE
1 Nxe6! Qxd4 2 Nxd4 and Nxb5 soon follows winning easily.



STEFAN ROUSSEAU



Grandstand view: blazers and straw hats adorn the crowd watching a Princess Elizabeth Cup contest during racing at Henley yesterday

Don't let sport spoil the party

LYNNE TRUSS



Kicking and Screaming

The big thing about Henley is the badges. Everyone you meet, you study their chest to see how many they've got so far. Personally, I'd acquired three dangly emblems of personal distinction in the space of ten minutes — press badge, Leander Club, Stewards' Enclosure — and felt like a Christmas present, but I still wished I'd worn my form captain's insignia from school.

They wouldn't give me a Steward's badge because that's a mysteriously elected (and elect) post, a bit like becoming High Moose or Top Tomato. But the dinky green Enclosure badge was nice enough with its matching bit of string. I just had to keep an eye out for cultural terrorists with nail scissors (dastardly snipping is not unknown).

Blue sky with broken cloud was the official description of the weather on the first day of the regatta yesterday, but at 8.30am, when the first race was rowed between the eights of Nottingham and Union Rowing Club and Bedford Rowing Club, it looked set to be a perfect summer's day. The river was light and splendid, the marquees grand, the straight course immensely long and the rowers valiant against a light headwind that chopped the water attractively.

Nottingham wore crimson and black; Bedford maroon, blue and white. I wish I could tell you who won, but alas, I didn't care enough to inquire. What I can report, however, is that this particular race — in the Thames Challenge Cup — was virtually a dead heat, so was very exciting for the half-dozen of us who'd turned up sufficiently early to see it.

Several of the big events were getting started yesterday. All sorts of cups are on offer and you can see them displayed in a special tent. These include a Ladies' Challenge Plate, which I laughably assumed might be a women's event (ho ho), and the Princess Elizabeth Cup, which is likewise not for princesses but for schoolboys. The schoolboy events were the ones getting most attention from spectators, for obvious proud-parent-in-straw-hat reasons.

Mid-morning, I spotted an eight from Hampton sitting intense and solemn in a corner of the boat tent, as if in prayer. You see, although arguably nobody in the wider world is the slightest bit interested in the outcome of these races, there's a lot at stake for these boys. But did I say they were intense? What ho, a pun.

You could easily get confused at Henley, despite the apparent simplicity of one-to-one races rowed at efficient five or ten-minute intervals, with lots of public announcements charting the progress. For a start, a novice might wonder about all this Berks-Buck stuff (the boats are identified by their "stations" in bordering counties). A novice might also wonder about the advisability of pink for men's jackets, and where to get a snack between meals that doesn't involve swallowing oysters. But the most unmentionable things an outsider can't help thinking here are "Why?" and (even worse) "How come I never went to public school or got a chance to be a wet-bob?"

The sport, of course, is quite a separate matter from the event. Out on the river, I watched from the umpire's launch while Furnivall Sculling Club (from Hammersmith) took on the Mitsubishi Rowing Club, of Japan.

It was fabulous to watch from wave-level, fast and intensely muscular: Sixteen chaps (eight of them rather heavier than the other eight) all straining at the neck, perfectly in time and building up big chests that will forever make their arms hang down about a foot farther back than most other people's.

The race started off (as boat races do) quite close, but the gap widened. Furnivall won and, as we motored behind them towards the few yelling supporters, the effect — oarsmen, breeze, sparkly water, victory — was literally glorious.

Yet the main drawback to rowing as a spectator sport is obvious to anyone who has watched the Boat Race on the telly and pretended to get worked up. What happens is that one boat takes an early lead and then the gap widens. It's always the same. They start off a few yards apart, then they are separated by a canvas (whatever that is), then a length, then two. Which is basically quite boring, especially if you've ever seen Krajicek and Henman battling in a third-set tie-break on the Centre Court with the light fading. In rowing, it just seems to be all over the minute it starts.

Obviously, what one needs is a broader view of the sport, which is something you wouldn't get from turning up at Henley, because the event far outweighs everything else.

Doubtless at medieval tournaments, there were villeins who arrived early, stuck their heads in buckets of mead and said afterwards "Jousting? Do they do that there, then?" But it was still a shame yesterday that when Peter Haining, three times the lightweight world champion, won his Diamond Challenge Sculls heat, people didn't rush to the river for a butcher's.

For one thing, his race had been badly timed as the last before lunch and punters were being urged to take their seats early. For another thing, rowing is a very modest sport in terms of broadcasting attention, so few people have heard of Haining. It's a deeply odd event, this, like a school sports day crossed with someone else's wedding. I suspect that only the rowing press really know (or care) what's going on.

First-day details, page 53

TELEVISION CHOICE

The last of the dinosaurs

Gila Monster
Channel 4, 8.00pm

Pronounced "heela", the gila monster has the honour of being one of the only two species of lizard in the world with a venomous bite. Heavy-bodied and slow-moving, this primitive reptile with its bright coloration is the largest lizard in the Americas. Apparently, macho Mexican males like to prove their manhood by passing their hands through the gila monster's jaws. Quite a few of them pass over to the next life in the process. In this film by John Harris, the gila monster, its closest relations and its northern Mexican desert habitat are brought under close scrutiny. These unlovely creatures, with a venom that causes excruciating pain and a predilection for swallowing their prey whole, are under threat. Because their habitats are being burnt to provide farmland, these reptiles that were around when the dinosaurs were dying out are now facing extinction themselves.

Airport
BBC1, 8.30pm

In this week's peek into the ups and downs of Heathrow we meet some passengers who don't want to get on a plane, some who can't get off it and one who cannot find it in the first place. Around 200 aerophobes work at Heathrow. They are perfectly happy to service the aircraft but the thought of flying in one is another thing altogether. For these unfortunates, there is a course run by the inestimable Captain Douglas Ord. For some reason, the terrified group fail to see the funny side of the captain's jolly patter, aimed at relaxing them. Perhaps it has something to do with his references to the angel of death and crashing. Meanwhile, Jeremy Spake, the Aeroflot supervisor, cannot unload his passengers because someone has lost the plane's front-door key. And one of his flock fails to turn up altogether.

The Last Governor
BBC1, 10.05pm

Finishing off the extensive coverage of the Hong Kong handover is this five-part series charting the events leading up to the end of British rule. Presented by Jonathan Dimbleby and made with the full co-operation of Chris Patten (who presumably thought it might help on the CV), the series is said to have remarkable access to the main protagonists of this political drama. Along with behind-the-scenes filming of Patten, the series promises to contextualise his tenure by examining the former colony's convoluted and complex history. It also looks at how the millions of people who live and work in Hong Kong view the colony's return of the Chinese and how it will affect their lives.



Chris and Lavender Patten (BBC1, 10.05pm)

A Bill Called William
Channel 4, 9.00pm

William was Lord Arran's name for his Bill to decriminalise homosexuality, passed 30 years ago this month. He used the name partly to distance himself from its content and partly because he was an eccentric. He said he had two main interests: "to stop people buggering badgers and badgering buggers". This film, which is full of such extreme characters, tells of the tortuous and sometimes ludicrous passage of the Bill. No televisual aid is left unused to detract from the string of talking heads. Which is a shame, since the heads involved, such as Leo Abse and Barbara Castle, have great stories and insights to tell. Narrated by Ian Richardson, the account is illustrated by re-enacted excerpts from the speeches, frequent shots of Piccadilly Circus, and Roy Orbison or Gene Pitney on the soundtrack. The film needs none of these tricks. The words, characters and the times speak for themselves.

Frances Lass

RADIO CHOICE

Lifestory
Radio 4, 7.20pm

In the 1960s Lord Clark made one of the great television series, *Civilisation*, but although the viewers and the television critics gave wholehearted approval, there were those in the arts establishment who felt that the programmes proved something they had suspected all along: that Clark was a middlebrow with a fatal tendency to court popularity. This sniffy notion is one aspect of Clark dealt with in this profile of a man who became a cultural icon for the mass audience, a somewhat ironical outcome considering that he was an elitist. He was also a womaniser who lived a chaotic private life, inevitably inviting comparisons with his son, Alan, the MP for Kensington and Chelsea. The presenter is Peggy Reynolds.

The Mark of Zorro
Radio 4, 11.00pm

A new five-part series set in and around Los Angeles in the 1820s, this is a drama with overtones of Robin Hood, for as the opening narration says, it concerns a man who "rode out to combat the forces of misrule and cruelty and was branded an outlaw and highwayman". The Zorro of the title — and the Robin Hood figure — is a peon (or peasant) and the story's love interest centres on Zorro's alter ego, a nobleman, who lusts after Lolita while she only has eyes for Zorro. The melodrama is nicely conveyed by an excellent cast which includes Mark Arden as Zorro and Louise Lombard as Lolita. The story is based on characters created by Johnston McCulley and the adaptation for radio is by Simon Ashford.

Peter Barnard

RADIO 1

7.00am Mark Radcliffe 9.00 Simon Mayo 12.00 Mary Anne Hobbs 2.00pm Nicky Campbell 4.00 Kevin Greening 6.15 Newsbeat 6.30 Evening Session with Steve Lamacq 8.30 Movie Update 8.40 John Peel 10.30 Stuart Maconie 1.00am Dave Pearce 4.00 Clive Warren

RADIO 2

6.00am Charles Nove 7.30 Sarah Kennedy 9.30 Alex Lester 11.30 Jimmy Young 1.30pm Debbie Thrower 3.00 Ed Stewart 5.05 John Dunn 7.00 David Allan's Country Club 8.00 Paul Jones 9.00 Luther Vandross — The Celebrity Soul Show 9.30 The What If Show 10.00 Wowbabygroovy 10.30 Richard Allinson 12.05am Steve Madden 3.00 Adrian Finighan

RADIO 5 LIVE

5.00am Morning Reports 6.00 The Breakfast Programme 9.00 The Magazine 12.00 Midday News 1.30pm Wimbledon '97. Extensive coverage from the All England Club as the competition enters the final stages 8.00 David Gower's Cricket Weekly. Includes a review of the first day of the third Test at Old Trafford 9.00 Inside Edge with Rob Bonnett 10.00 News Talk 11.00 News Extra 12.00 After Hours with Vincent Hanna 2.00am Up All Night with Rhod Sharp

TALK RADIO

5.00am Chris Ashley and Sandy Warr 7.00 Paul Ross 9.00 Scott Chisholm 12.00 Lorraine Kelly 2.00pm Tommy Boyd 4.00 Peter Deeley 7.00 Anna Raeburn 9.00 James Whale 1.00am Ian Collins

WORLD SERVICE

All times in BST. News on the hour. 6.00am Newsday 8.30 Europe 7.15 World Today 7.30 Meridian Books 8.15 Off the Shelf 8.30 Composer of the Month 9.10 Pause for Thought 9.15 Turning a Tune 9.30 Hot New Country 10.05 Business 10.15 Dying Notes 10.30 BBC English 10.45 Sport 11.30 Discovery 12.30pm Learning World 12.45 F.O.O.C. 1.05 Business 1.15 Britain 1.30 Record News 1.45 Sport 2.00 Newshour 3.05 Outlook 3.30 Wimbledon 4.05 Sports Roundup 4.15 Turning a Tune 4.30 News in German 5.00 Europe 5.30 Business 5.45 Britain 6.05 Business 6.15 World Today 6.30 News in German 6.45 Sport 7.30 Assignment 8.01 Outlook 8.25 Pause for Thought 8.30 John Peel 9.00 Newshour 10.05 Business 10.15 Britain 10.30 Meridian Books 11.30 World Today 11.45 Sport 12.05am Outlook 12.30 Vintage Chart Show 1.30 Turning a Tune 1.45 Britain 2.30 The Works 3.30 Focus on Faith 4.05 Business 4.15 Sport 4.30 Europe

CLASSIC FM

4.00am Mark Griffiths 6.00 Alan Mann 9.00 Henry Kelly 1.00pm Concerto. Mozart (Bassoon Concerto in B flat major, K191); Rubbra (Piano Concerto in G major, Op 85) 3.00 Jamie Crick 7.00 Newsnight 7.30 Sonata. Mendelssohn (Violin Sonata in F minor, Op 4); 8.00 Evening Concert. Georges Enesco (Romanian Rhapsody No 1 in A major, Op 11); Sibelius (Symphony No 1 in E minor); Chopin (Polonaise-Fantaisie) 10.00 Michael Mappin 2.00am Concerto (r)

VIRGIN RADIO

6.30am Russ 'n' Jono in Toronto 10.00 Graham Dene 1.00pm Jeremy Clark 4.00 Nick Abbot 6.00 Paul Coyle (FM) / Robin Banks (AM) 10.00 Mark Forrest 2.00am Richard Porter

RADIO 3

6.00am On Air, with Andrew McGregor. Includes Fauré (Pavane); Elgar (Overture: Cockaigne, In London Town); Fayrfax (Ave Dei Patris Filia); Mozart (Horn Concerto No 3 in E flat, K447); Verdi (Overture, Giovanni d'Arco); Nielsen (Symphony No 6, Sinfonia Semplice)
9.00 Morning Collection, with Peter Hobday. Includes Strauss (Waltz, Music of the Spheres); Leoncavallo (Pagliacci, Intermezzo); Dvořák (Piano Trio No 4 in E minor, Op 90)
10.00 Musical Encounters, with Susan Sharpe. Includes Part (O Konig aller Volker, Magnificat Antiphons); Tobias Hume (My Mistress Hath a Pritty Thing; Touch Me Lightly, The First Part of Ayres); Poulenc (Chansons Gaillardes); Mozart String Quartet in B flat, K458, Hunt); Weill (Suite: The Threepenny Opera)
12.00 Composers of the Week: Schola Cantorum
1.00pm News; Vintage Verdi. Pierluigi Petrobelli, director of Italy's National Institute of Verdi Studies, plays a selection from the Institute's collection of Verdi on disc. Includes a recording of Rosa Ponselle, the centenary of whose birth falls this year
2.00 To Johannes Brahms. Featuring music by Brahms and works dedicated to him by his friends and admirers. Louise Hopkins, cello, Caroline Palmer, piano); Reinecke (Cello Sonata No 3 in G, Op 238); Brahms (Cello Sonata No 2 in F, Op 99)
2.55 The BBC Orchestras. BBC Philharmonic, under Yan Pascal Tortelier, Leon McCawley, piano. Mendelssohn (Piano Concerto No 2 in D minor); Berlioz (Symphonie Fantastique)
4.15 Ensemble. Penny Gore introduces a recital by the violinist Madeleine Mitchell and the pianist Andrew Ball. Includes Messiaen (Theme and Variations); Franck (Violin Sonata in A)
5.00 The Music Machine, with Tommy Pearson
5.15 In Tune, with Brian Morton. Includes Corrette (Organ Concerto in G, Op 26 No 1); Haydn (Symphony No 92 in G, Oxford); Giovanni Gabrieli (Dulcis Jesu)
7.30 BBC Philharmonic, under Peter Maxwell-Davies. A concert given last year at the Royal Northern College of Music. Includes Sibelius (Symphony No 5); Davies (The Beltane Fire)
8.55 The Illuminati. Michael Ignatieff discusses Yale University in the 1970s, when it became the centre for deconstruction, with a dazzling cast of literary scholars who had intellectual differences — and skeletons in the cupboard (4/5)
9.20 To Johannes Brahms. Bracha Eden and Alexander Tamir, piano duet. Schumann (Introduction and Allegro, Op 134); Pascal Devoyon, piano, Nouvel Orchestre Philharmonique, under Theodore Guschlbauer. Brahms (Variations on a Theme of Schumann, Op 23) (8/8)
10.00 Music Restored. Anthony Rooley introduces highlights of a concert given as part of last week's Festival of Baroque Music in London. The Spanish group Romanesca performs music from the time of Velasquez
10.45 Night Waves. Eleven years ago, Bernard MacLaverty's first novel, Cal, was made into a film. Now he is publishing a new book, Grace Notes, about a woman composer in Northern Ireland. Hermione Lee finds out what happened in the intervening years
11.30 Composers of the Week: Paris 1750 (r)
12.30am Jazz Notes, with Digby Fairweather.
1.00 Through the Night, with Donald Macleod

RADIO 4

5.55am Shipping Forecast (LW) 6.00 News Briefing 6.10 Farming Today 6.25 Prayer for the Day 6.30 Today, includes Thought for the Day 8.40 Yesterday in Parliament 8.58 Weather
9.00 News 9.05 Face the Facts, with John Waite and his team of investigators (r)
9.30 Relatively Speaking. Sharron Davies and her brother Mark discuss their relationship (4/4)
10.00 News; The Female Ghost (FM): Man Sized in Marble by Enid Nesbit (2/4)
10.00 Daily Service (LW) 10.15 On This Day (LW)
10.30 Woman's Hour, with Jenni Murray
10.55-1.00pm Test Match Special (LW). Coverage of the first day's play in the third Test at Old Trafford between England and Australia
11.30 From Our Own Correspondent (FM). News from BBC reporters around the world
12.00 News; (FM) You and Yours. Consumer news and current affairs with Mark Whittaker
12.25pm The Heritage Quiz (FM). Sue MacGregor invites Christopher Cook, Adrian Mourby, Janet Suzman and Philippa Gregory to test their knowledge of Britain's cultural heritage 12.55 Weather
1.00 The World at One, with Nick Clarke
1.40 The Archers (FM) (r) 1.55 Shipping Forecast
1.40-6.30 Test Match Special (LW). Continued coverage from Old Trafford
2.00 News; (FM) Thursday Afternoon Play: Killing Susan, by Vivienne Allen. Ten-year-old Davina pushes a younger girl into a pond and watches her drown. Will she be called to account for her crime? Starring Carolyn Jones, Lily Power and Gerard McDermott
3.00 News; The Afternoon Shift (FM), with Deirdre Brehan and guests
4.00 News 4.05 Kaleidoscope (FM). Paul Allen reviews Terry Eagleton's new play, Disappearances, at the Salisbury Playhouse, and sees Kathleen Turner at the Chichester Festival.
4.45 Short Story: The Berbice Marriage Match (FM), by Jan Lo Shineboume. Read by Heather Emmanuel
5.00 PM (FM) 5.50 Shipping Forecast 5.55 Weather
6.00 Six O'Clock News
6.30 Taking It Up the Octave. The penultimate part of the comedy by Fintan Coyle and Tom Miles. With Andrew Branch, Simon Butteriss and Godfrey James
7.00 News 7.05 The Archers
7.20 Lifestory. See Choice
8.00 Analysis. Bob Tyrell asks if a more caring capitalism is desirable and whether it would be as efficient
8.45 Another String. Thomas Lynch, poet, essayist and town undertaker to Milford, Michigan, ponders living and dying by the turf fire in the house of his ancestors in County Clare
9.00 Does He Take Sugar? With Frederick Dove.
9.30 Kaleidoscope (r) 9.59 Weather
10.00 The World Tonight, with Robin Lustig
10.45 Book at Bedtime: The Monkey King, by Timothy Mo. Read by David Yip (9/10)
11.00 The Mark of Zorro. See Choice
11.30 Ad Lib (FM) Robert Robinson meets six British officers who reminisce about their time in the Indian army (2/6) (r)
11.30 Today in Parliament (LW)
12.00 News and 12.30am The Late Book: It Positively, written by Antonio Skarmeta. Read by David Rintoul (4/5) (r)
12.48 Shipping Forecast 1.00 As World Service

FREQUENCY GUIDE. RADIO 1. FM 97.6-99.8. RADIO 2. FM 88.0-90.2. RADIO 3. FM 90.2-92.4. RADIO 4. FM 92.4-94.6; LW 198; MW 720. RADIO 5 LIVE. MW 693, 909. WORLD SERVICE. MW 648; LW 198. (12.45-5.55am). CLASSIC FM. FM 100-102. VIRGIN RADIO. FM 105.8; MW 1197, 1215. TALK RADIO. MW 1053, 1089.
Television and radio listings compiled by Peter Dear, Ian Hughes, Rosemary Smith, Susan Thomson, Jane Gregory and John McNamara.

BOXING

Battle for Tyson on home front

FROM SRIKUMAR SEN
BOXING CORRESPONDENT
IN BIG BEAR, CALIFORNIA

WHILE Mike Tyson turns for help to behavioural experts, there is a growing belief among American trainers and managers that the problem lies not so much with Tyson as the people around him. Instead of restraining Tyson, these people encourage him.

Don Turner, Evander Holyfield's trainer, expressed this view immediately after the World Boxing Association (WBA) heavyweight contest in Las Vegas last Saturday when he found Tyson's managers aggressively condoning Tyson's actions in the ring.

Emanuel Steward, Lennox Lewis's trainer, agreed. Steward, who is preparing Lewis for his bout with Henry Akinwande at Lake Tahoe on July 12, said he believed the disturbing elements in Tyson's camp were about to be removed.

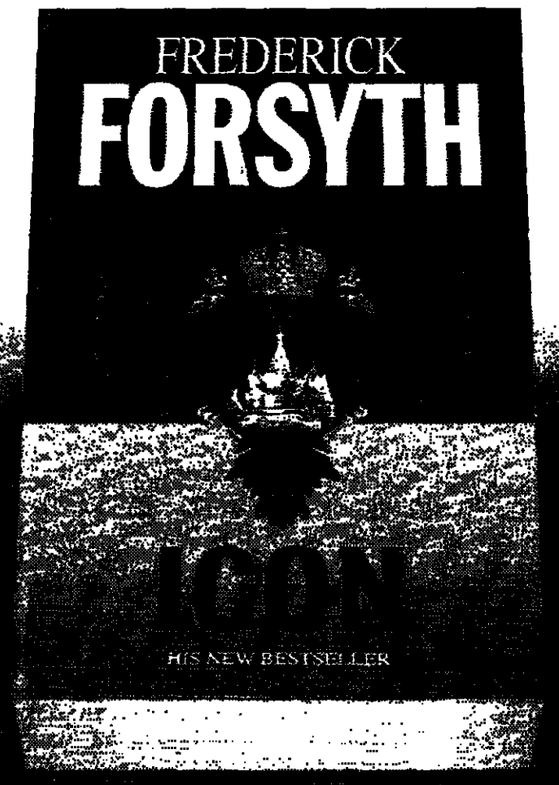
He said a power struggle had started in the Tyson camp, with Tyson's wife, Monica, on one side and the joint-managers, John Horne and Rory Holloway, on the other. Mrs Tyson was expected to prevail.

Steward believed Tyson's apology was sincere because it came from his wife and was in stark contrast to Team Tyson's earlier unrepentant reaction. "You see, even if Tyson is a tough kid in the ring, outside he is not a strong person and can be influenced very easily," Steward said. "All his life, he has been dominated by strong people — Cus D'Amato, then Robin Givens, his first wife, and then Don King.

"He's a humble kid if you can get him one-on-one. He could not stand up to these people, but his wife will make him start standing up."

Steward said Tyson had a legitimate grievance over Holyfield's head-butting tactics. Tyson was disqualified last Saturday for biting Holyfield's ear. The Nevada State Athletic Commission will consider a possible suspension for Tyson next Tuesday.

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DAILY EXPRESS

OUT NOW IN PAPERBACK

Of metamorphosis and animal magnetism

REVIEW



Joe Joseph

Being the kind of alert and intelligent person who keeps a watchful eye on political upheavals and other important world developments, you have probably already noticed that Rolf Harris — now that his hair and his little goatee beard have turned white — is slowly metamorphosing into Colonel Sanders.

Harland Sanders rose to fame as the founder of Kentucky Fried Chicken — the finger-lickin' treat that I, at least *can* eat between meals without ruining my appetite, because I am very likely to have violently regurgitated it by dinner-time. Like the Colonel — who did a variety of jobs before hitting the big time, including farmhand, buggy painter, streetcar conductor, ferryboat operator, life insurance salesman, and petrol station operator — Rolf is multitalented: he paints, he plays the didgeridoo and the wobble-board, he had a Number One hit with *Two Little Boys*, he can make a weird noise like a dog panting and hiccupping at the same time, and he even hosts popular television programmes.

The latest is **Animal Hospital Revisited** (BBC1), in which Rolf brings us up to date with the pets, strays and invalids who who were nursed by vets at the RSPCA's Harmsworth Hospital in the last series of *Animal Hospital*. But his eerie similarity to Colonel Sanders has added spice to the otherwise sugary programme, because in those moments when we are looking away (to avoid seeing the vet cutting open a Pekinese called Sushi to remove an infected womb that looks like a swollen saveloy) we can distract ourselves by wondering if Rolf is really a dark horse whose secret life is as racy as the late Col Sanders's turned out to be.

In *The Colonel's Secret*, a book published a few months ago, Sanders's daughter Margaret revealed that the Colonel had a voracious sexual appetite: apparently far too big for just his poor wife to satisfy. Reading the details of his sexual exploits, which continued well into his eighties, you hope that (a) your stamina will survive as long, and (b) he found time to wash his hands thoroughly before mixing up a fresh batch of chicken seasoning. Like you, I've always wondered how Rolf developed that unique panting-cum-hiccupping grunt, and now we have good grounds to speculate.

Sushi's infected womb was caught just in time. Annie, the Jack Russell who let a huge black Alsatian creep up on her, had to pay for her pleasure: she needed a Caesarian to extract the two giant puppies that the coupling produced. Even Duchess, the cat who was so fat she couldn't groom herself, is on the mend. Duchess — the size of a chest freezer — was clearly named after another Duchess, whom we know better as Fergie.

Duchess's owner had followed the vet's advice to cut down from one can of food a day to half a can. But she but was still feeding her a plate of fish at lunchtime. Plus milk. Oh yes, and a few bowls of cream. A little ham. Plus biscuits. And treats. She may well have been taken for secret visits to Madame Vasso, Fergie's former spiritual adviser, too. This feline Fergie became so like the real Duchess that you fully expected Lord Charteris, the Queen's former right-hand man, to sidle up to Col Rolf Harris and mutter "vulgar, vulgar, vulgar", just as he once did about the real Duchess of York. At least all this *doppelgänger* activity gives *Animal Hospital Revisited* a subtext that keeps you watching long after its recovery-ward contents otherwise merit.

Stay tuned, because straight afterwards on **Hot Gadgets**, also on BBC1, Carol Vorderman was desperately trying to metamorphose into somebody who gives a damn about all the various gizmos tried out by her "road-testers" and then paraded before the studio audience. These included a solar cooker for use on picnics: this is a long tube into which you insert a skewer of food. You leave it out under the open skies, and — hey presto — you open it up in June 1998 to find that your chicken kebabs are nicely crisp on the outside, but still moist enough on the inside to give you salmonella.

In an attempt to salvage something of the show, Vorderman grabs every chance to repeat her new street-market cry of "Is it hot or is it not?" — the question she barks out when asking the audience to pass judgment on a gadget.

Presumably she is hoping to turn it into a national catchphrase, along the lines of "Nice one, Cyril", or "Ooh, you are awful, but I like you". But does it really have a future? Maybe one day soon you will overhear a diner in a restaurant greet the waiter carrying a bowl of soup to his table with the phrase "Is it hot, or is it not?", accompanied by a knowing smirk. Then again, maybe you won't.

One of this week's gadgets was interactive TV. A set-top box and a keypad meant "you can take part in your favourite TV shows". This allowed you to see if you are smarter than the contestants on *University Challenge* or *Call My Bluff* by pressing a button on a keypad rather than in the old, low-tech way of shouting at the TV.

But why not let us interact with, say, the evening news, or **Brookside** (Channel 4). Just as Gladys needed more and more drugs to help her through her cancer, we need bigger and bigger thrills to sustain us through *Brookside*. Now that Mick and Elaine have connived in suffocating Gladys with her pillow, and last night decided to keep their guilt a secret, the next audience-grabber is going to have to be bigger than euthanasia or incest. Pass us that keypad and let's see if we can't arrange for Pol Pot to emerge from hiding and materialise in Brookside Close.

BBC1

6.00am Business Breakfast (94680)
7.00 BBC Breakfast News (T) (88898)
9.00 Breakfast News Extra (T) (3886222)
9.20 Ready, Steady, Cook (r) (T) (1217628)
9.50 Kilroy (T) (5989796)
10.30 Gloria's Time Off With Cliff Richard Series on how celebrities spend their time off (2699951)
10.45 News (T) **Regional News** and weather (4361636)
10.50 Cricket: Third Test England v Australia. Tony Lewis introduces coverage of the opening session of day one at Old Trafford (31713883)
12.35pm Neighbours (T) (8383574)
1.00 One O'Clock News (T) (38375)
1.30 Regional News (T) (42968845)
1.40 Wimbledon 97 and Cricket: Third Test Plus live coverage of the women's singles matches (38329319)
4.10 Dinobabies (r) (T) (4745425) **4.35** Return to Jupiter (T) (8430864)
5.00 Newsround (T) (1576932)
5.10 The Bitz (r) (T) (4164845)
5.35 Neighbours Karl's return to medicine is not easy (r) (T) (816864)
6.00 Six O'Clock News (T) (13)
6.30 Regional News Magazine (83)
7.00 Watchdog: Value for Money presented by Vanessa Feltz. Wendy Richard embarks on a quest to find the perfect cuppa by comparing round, square and triangular teabags; till receipts come under scrutiny and Eurovision winner Katrina puts photographic developers to the test (T) (1661)
7.30 EastEnders Dot is forced to make a life-changing decision. Ted turns to Kathy for help but Phil is not sympathetic (T) (67)
8.00 Crime Beat Martyn Lewis explores the growing popularity of closed-circuit television for reducing crime. He visits Accrington in Lancashire, where the success of CCTV monitoring has greatly reduced crime in public places, and learns how the "Big Brother" approach is helping to eliminate computer theft in business parks. Plus, the latest anti-theft gadget is unveiled (T) (7609)
8.30 [CHOICE] **Airport** Documentary series which goes behind the scenes at Heathrow, the world's busiest international airport (T) (6116)
9.00 Nine O'Clock News (T) Regional news and weather (8796)
9.30 Budget Response By the Conservative Party (833680)
9.35 Smith and Jones (T) (573932)
10.05 [CHOICE] **The Last Governor** First in a new series chronicling the trials and tribulations of Chris Patten (T) (582680)
11.10 Cricket: Third Test England v Australia (482681)
11.50 They Shoot Horses, Don't They? [FILM] (1969) Sydney Pollack's Oscar-winning melodrama exploring the desperation of couples competing in Hollywood dance marathons in the Depression years. Starring Jane Fonda, Michael Sarrazin, Red Buttons and Bruce Dern (422845)
1.45 am-1.50 Weather (2717100)

VideoPlus+ and the Video PlusCodes
The numbers next to each TV programme listing are Video PlusCode™ numbers, which allow you to programme your video recorder instantly with a VideoPlus+™ handset. Tap in the Video PlusCode for the programme you wish to record. Videoplus+ (™), Pluscode (™) and Video Programmer are trademarks of Gemstar Development Ltd.

BBC2

6.00am Open University: New Formulae for Food (7460786) **6.25** Diabetes: Restoring the Balance (7449203) **6.50** Control in Reproduction (6670357)
7.15 See Hear Breakfast News (T) (6325512)
7.30 Moomin (r) (7444970) **7.55** The Lowdown (6385222) **8.20** Charlie Chalk (6063203) **8.35** The Record (2985932)
9.00 Yesterday at Wimbledon introduced by Sue Barker (48999)
10.00 Teletubbies (51390) **10.30** Wisley Through the Seasons (9461338) **11.15** Face to Face: Ken Dodd (3255852) **12.00** The Sky at Night (b/w) (r) (T) (1923222) **12.20pm** Johnson and Friends (8950425)
12.30 Wimbledon 97 and Cricket: Third Test Tennis: Desmond Lynam and Sue Barker present the 11th day of Wimbledon; Cricket: Further coverage on the first day of the third Test between England and Australia (9492864) **3.00** News and weather (1410406) **3.55** News, regional news and weather (2859796)
4.00 Wimbledon 97 and Cricket: Third Test Further action from day 11 at SW19 and Old Trafford (9341609)
8.00 Being There The thoughts and writings of early explorers combine with stunning wildlife photography to provide a glimpse of life in Antarctica (r) (T) (8951)
8.30 Tracks Nick Fisher finds out about German stilt midgets, and Lindsay Cannon goes island bagging in the Hebrides. Marine biologist Guy Lirley-Adams explains the wondrous phenomena of tides (T) (7086)

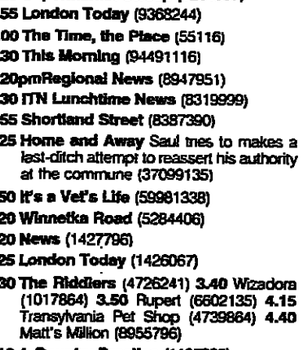


Shepherd and Zuk (9.00pm)

9.00 This Life: One Bedding and a Funeral Egg's younger brother Nat (Damian Zuk) pays a visit and promptly finds a friend in Anna; Milly's behaviour threatens to give the game away, and Kira lets Jo (Steve John Shepherd) know exactly where he stands (T) (740425)
9.40 Today at Wimbledon Sue Barker introduces highlights of today's play (773962) Followed by UK Image at (833241)
10.35 Newsnight (186715)
11.20 Budget Response by the Conservative Party (963116)
11.25 LA Story The tale of two former bread delivery men, John Eyres and Geoff Griffiths, who made it as Hollywood movie producers (577203)
12.00 The Midnight Hour (63520)
12.30am Learning Zone: Open University: Social Work in the Inner City (40181) **1.00** Everyman: Just an Illness (5547623) **1.45** Return to Skomer (3888723) **2.00** Summer Nights: Discovering Art Essentials (14075) **4.00** Languages: Greek Language and People (70075) **5.00** Business and Work: The Small Business Programme (18891)

HTV

6.00am GMTV (1579488)
9.25 Supermarket Sweep (1201067)
9.55 London Today (9368244)
10.00 The Time, the Place (55116)
10.30 This Morning (94491116)
12.20pmRegional News (8947951)
12.30 ITN Lunchtime News (8319999)
12.55 Shortland Street (8387390)
1.25 Home and Away Saul tries to makes a last-ditch attempt to reassert his authority at the commune (37099135)
1.50 It's a Vet's Life (59981338)
2.20 Winnetka Road (5284406)
3.20 News (1427796)
3.25 London Today (1426067)
3.30 The Riddlers (4726241) **3.40** Wizadora (1017864) **3.50** Rupert (6602135) **4.15** Transylvania Pet Shop (4739864) **4.40** Matt's Million (8955796)
5.10 A Country Practice (1137999)
5.40 News (T) and weather (326870)
6.00 Home and Away (r) (T) (99)
6.30 Videotech (51)
7.00 Emmerdale Andy is reunited with his father for the first time in years and Kelly is taken aback to discover the identity of her shift partner (6357)
7.30 3-D Can church services be bad for your health? Julia Somerville presents a report on the so-called "Toronto Blessing". Plus, how insurance companies are trying to crack down on people claiming money because they are too ill to work (35)
8.00 The Bill A teenager is stabbed after a bout of bullying gets out of hand, and Loxton and Keane have to break down three conflicting eyewitness testimonies to discover the truth. Tom Butcher and Andrea Mason star (2777)



Bliss races against time (8.30pm)

8.30 Bliss In the last in the series, archaeologists unwittingly release a long-dormant plague virus while working in prehistoric caves beneath Norfolk. With Simon Shepherd (T) (28864)
10.00 News at Ten (35777)
10.30 London Tonight (552864)
10.40 Budget '97 The Conservative Party's response to yesterday's Budget (817203)
10.50 The West This Week (910609)
11.40 Frieze Frame (415154)
11.55 Hunter (879767)
12.45 The LADS (63162)
1.15 in Bed with McDinner (60075)
1.45 Funny Business (69346)
2.15 Late and Loud (245029)
3.15 3-D (r) (96672029)
3.40 The Good Sex Guide Late (8643029)
4.35 The Time, the Place (22280907)
5.00 Garden Calendar (15568)
5.30 News (68075)

CENTRAL

As HTV West except:
12.55pm-1.25 A Country Practice (5387390)
5.10-5.40 Shortland Street (1137999)
6.25 Central News (841086)
10.45 Crime Stalker (917796)
New York News (906680)
12.45am Funny Business (63162)
1.15 Rockmania (158549)
2.15 The Loop (84655)
2.45 Recollections (2213988)
3.05 Late and Loud (1138742)
4.05 Central Jobfinder '97 (2045452)
5.20 Asian Eye (9779520)

WESTCOUNTRY

As HTV West except:
12.55 Home and Away (4464406)
1.20-1.50 Emmerdale (38159262)
5.10-5.40 Home and Away (1137999)
6.00-7.00 Westcountry Live (79609)
10.45 Overdrive (582864)
11.15 Videotech (914609)
12.15am Weekly World News (3864549)

MERIDIAN

As HTV West except:
5.10pm-5.40 Home and Away (1137999)
6.00 Meridian Tonight (99)
6.30-7.00 Grass Roots (51)
10.45 Film: Revolver (11592932)
5.00 Freescreen (15568)

ANGLIA

As HTV West except:
12.55-1.25 A Country Practice (8387390)
5.10-5.40 Shortland Street (1137999)
6.25 Anglia News (841086)
10.45 The Magic and Mystery Show (582864)
11.15 Waterlines (589777)
11.45 New York News (845116)

S4C

Starts: 6.00am Sesame Street (87390)
7.00 The Big Breakfast (99048)
9.00 Bewitched (45154)
9.30 Film: Q Planes (17336)
11.00 Animal Passions (4970)
11.30 Springhill (2999)
12.00 House to House (25390)
12.30pm Ricki Lake (52932)
1.00 Slot Melthrin (25573135)
1.15 Wil Cwac Cwac (25561390)
1.30 Film: The Moon is Down (93794715)
3.10 Hold Please (7715116)
Here's One I Made Earlier (57)
4.00 Fifteen-to-One (64)
4.30 Australia Wild (48)
5.00 5 Pump (9908311)
5.20 Gogs (7135116)
5.30 Countdown (28)
6.00 Newyddion (457796)
6.05 Heno (811845)
6.35 Jac yn y Bocs (726338)
7.00 Pobol y Cwm (947154)
7.25 Sgrin Ti Syniad? (296203)
8.00 Pobl y Chyff (5749)
8.30 Newyddion (2154)
9.00 The Jewel in the Crown (8048)
10.00 Brookside (493357)
10.35 Film: Making Mr Right (90334195)
12.25am Riding the Tiger (6585704)

CHANNEL 4

6.00am Sesame Street (r) (87390) **7.00** The Big Breakfast (99048) **9.00** Bewitched (r) (T) (45154) **9.30** Great White Shark Hunt (r) (20852)
10.30 Spare a Copper (1940, b/w). Comedy [FILM] starring George Formby as an incompetent policeman who foils Nazi saboteurs trying to destroy a new battleship. Directed by John Paddy Carstairs (1344512)
11.55 Two Castles Animation (6621512)
12.00 House to House (T) (25390)
12.30pm Caroline in the City (r) (T) (52932)
1.00 Springhill (T) (92135)
1.30 Daumier's Law (42975135)
1.45 Tracks of Glory (1991) [FILM] First instalment of a two-part drama, based on fact, about the first black US and world cycling champion, Marshall Taylor, when he went to race in Australia. Starring Phil Morris, directed by Marcus Cole. Concludes tomorrow (93773222)
3.30 Here's One I Made Earlier (T) (57)
4.00 Fifteen-to-One (T) (64)
4.30 Countdown (T) (8424203)
4.55 Ricki Lake (T) (2384086)
5.30 Pet Rescue Finding homes for more than 50 birds (r) (T) (28)
6.00 Boy Meets World Rites-of-passage comedy drama series (T) (41)
6.30 Hollyoaks Teen soap. Baz and Lucy wonder what reaction their relationship will provoke (T) (93)
7.00 Channel 4 News (T). Includes headlines and weather at **7.30** (695425)
7.50 Singles (613845)
8.00 [CHOICE] **Gila Monster** Wildlife documentary about one of the only two poisonous species of lizards in the world (T) (5749)
8.30 Brookside Mike is confronted by a furious husband (T) (2154)



Moral crusader Barbara (9.00pm)

9.00 [CHOICE] **A Bill Called William** Documentary about the passing of the 1967 Sexual Offences Act. With contributions from Barbara Castle and Roy Jenkins (T) (8048)
10.00 Father Ted To get the wherewithal to mend a leaky roof, Father Ted acquires a car to raffle (r) (T) (493357)
10.35 Northern Exposure Offbeat comedy series set in Alaska. Michelle and Phil seperate (T) (630951)
11.30 Weekly Planet Discussion on the ways to tackle illicit drugs (36390)
1.00 am Tales of Manhattan (1942, b/w) [FILM] Comedy drama composed of five unrelated stories about the various owners of a tailcoat. Directed by Julien Duvivier (85154029)
3.10 Memento Joan Bakewell talks to Clare Francis (r) (66813013)
3.40 Schools (r) (T) (965181)
5.35 Backdate (r) (T) (2313487)

CHANNEL 5

CHANNEL 5 ON SATELLITE
Channel 5 is now broadcasting on transponder No 63 on the Astra Satellite. Viewers with a **Videocrypt** decoder will be able to receive the channel free of charge. Frequencies for transponder No 63 are picture: **10.92075 GHz**; sound: **7.02** and **7.20 MHz**

6.00am 5 News Early (9865048)
7.30 Havakazoo (7691135) **8.00** Adventures of the Bush Patrol (7581932) **8.30** WideWorld (7580203)
9.00 Espresso (3281593) **10.00** Hospital Live (r) (5260203) **10.30** Instant Gardens (r) (T) (7500067)
11.00 Leeza (6142883) **11.50** Double Espresso (19993241) **12.00** The Bold and the Beautiful (T) (7591319) **12.30pm** Family Affairs (r) (T) (4165777)
1.00 5 News Update (T) (42813113) **1.05** Sunset Beach (T) (8108864) **2.00** 5's Company (6188319)
3.30 The Fall of the Roman Empire (1964) [FILM] Epic historical drama with Sophia Loren, Stephen Boyd, Alec Guinness and James Mason. Directed by Anthony Mann. Concludes tomorrow (1607864)
5.20 Hospital Live An update from Guy's (68221777)
5.30 100 Per Cent (7938357)
6.00 Move on Up (T) (7928970)
6.30 Family Affairs Lee is in hospital with a fractured skull. Tim is the prime suspect (T) (7919222)
7.00 Hospital Live Kirsty Young talks to dialysis patients about how they cope, and Sarah Agboola reveals the extra difficulties faced by members of ethnic minorities in hospital (6278661)
7.30 Treasure Islands: Robe of White Documentary following scientists working on a British Antarctic Survey as they study nature in that isolated habitat (T) (7915406)



Frostrup and Payne present (8.00pm)

8.00 The Car Show Mariella Frostrup and Tristram Payne host a new 13-part series focusing on anything and everything to do with cars (6294609)
8.30 5 News (T) (6273116)
9.00 Defiance (1980) with Jan Michael [FILM] Vincent, Theresa Saldana and Art Carney. Gritty drama about an outsider who confronts a gang threatening his New York neighbourhood. Directed by John Flynn (60061864)
10.55 The Jack Docherty Show Late night chat and comedy (1714951)
11.40 Prisoner: Cell Block H (6500816)
12.40 am Live and Dangerous Sports magazine hosted by Jeremy Nicholas and Helen Chamberlain. Includes Major League soccer from America (85882094)
5.30 100 Per Cent (r) (3279758)

SATELLITE AND CABLE

● **For more comprehensive listings of satellite and cable channels, see the Directory, published on Saturday.**

SKY 1

6.00am Morning Glory (908686) **9.00** Regis and Kathie Lee (64951) **10.00** Another World (30319) **11.00** Days of Our Lives (43883) **12.00** Oprah Winfrey (93203) **1.00pm** Geraldo (59721) **2.00** Sally Jessy Raphael (56721) **3.00** Jenny Jones (36715) **4.00** Oprah Winfrey (14222) **5.00** Star Trek: The Next Generation (8116) **6.00** Real TV (1796) **6.30** Married — with Children (2048) **7.00** The Simpsons (9845) **7.30** M*A*S*H (1932) **8.00** Third Rock from the Sun (8593) **8.30** The Nanny (7828) **9.00** Seinfeld (10406) **9.30** Mad About You (94932) **10.00** Chicago Hope (57425) **11.00** Star Trek: The Next Generation (31048) **12.00** Late Show with David Letterman (59826) **1.00am** Hit Mix (8339758)

SKY 2

7.00pm Superboy (4155785) **7.30** Superboy (5917932) **8.00** Sliders (2574951) **9.00** Highlander (2594715) **10.00** Tek War (2564574) **11.00** In the Heat of the Night (6409951) **12.00** Hit Mix (8517520)

SKY NEWS

Worldwide news coverage, with bulletins on the hour. 24 hours a day, seven days a week

SKY MOVIES

6.00am Ernest Hemingway's Adventures of a Young Man (1962) (89007959) **8.25 The Black Stallion** (1979) (37104574) **10.25 Fugitive Family** (1980) (61184661) **12.25pm Dreamer** (1979) (29739707) **1.55 Time of a Kind** (1983) (45319332) **3.25 How the West Was Fun** (1993) (41689574) **5.00 The Black Stallion** (1979) (96425) **7.00 Hercules in the Maze of the Minotaur** (1994) (20932) **9.00 Sahara** (1995) (26234932) **10.45 Dead Gold** (1995) (15732262) **12.20am Carrington** (1995) (27110655) **2.25 Deadly Vows** (1994) (61892278) **3.55 Criminal Hearts** (1995) (87229810)

THE MOVIE CHANNEL

6.00am The Beast from 20,000 Fathoms (1953) (4597767) **7.20 A Haunting We Will Go** (1942) (9555767) **8.50 Wake Up and Dream** (1946) (53932) **10.00 The Long Voyage Home** (1940) (16154) **12.00 The Treasure of Pancho Villa** (1955) (11796) **2.00pm The Day They Gave Babies Away** (1957) (46319) **4.00 Young Indiana: Travels with Father** (1995) (4360) **6.00 As Good as Dead** (1995) (24233222) **7.40 US Top 10** (729845) **8.00 Here Come the Munsters** (1995) (41512) **9.30 This Movie Show** (10970) **10.00 Exit to Eden** (1994) (8409332) **11.55 The Pamela Principle II** (1994) (2434265) **1.40am Separate Lives** (1994) (750704) **3.25 Uncommon Valour** (1983) (971144) **5.10 David and the Magic Pearl** (7278094)

SKY MOVIES GOLD

6.00pm Irma La Douce (1963) (44843999) **8.20 The Jerusalem Man** (1989) (82890390) **10.00 For a Few Dollars More** (1966) (25298222) **12.15am Melvin and Howard** (1980) (6028100) **1.50 Good Morning and Goodbye** (1967) (30505297) **3.15-5.30 Friendly Persuasion** (1956) (80351013)

TNT

9.00pm Crazy from the Heart (1991) (87328922) **11.00 The Outfit** (1974) (77979067) **12.45 The Fearless Vampire Killers** (1967) (98053084) **2.30-5.00 Boom Town** (1940) (33627075)

SKY SPORTS 1

7.00am Sports Centre (60574) **7.30** Wrestling (16113) **8.30** Racing News (73574) **9.00** Sports Centre (97154) **9.30** Aerobics Oz Style (17406) **10.00** Futbol Mundial (53396) **10.30** European Tour (93336) **11.00** Live European PGA Golf: Irish Open (92845) **1.00pm** Full Throttle (99845) **1.30** Big Shots (15777) **2.30** Futbol Mundial (1951) **3.00** Live Golf: Irish Open (817672) **6.00** Sports Centre (2680) **6.30** Powerboat and Jetski World (3932) **7.00** Formula Three Racing (96336) **8.00** International Cricket (76574) **10.00** Sports Centre (85319) **10.30** Big Shots (40660) **11.30** Tight Lines (87222) **12.30am** Sports Centre (15487) **1.00** Trans World Sport (16907) **2.00-2.30** Sports Centre (43549)

SKY SPORTS 2

8.00pm Tight Lines (8699951) **9.00** Trans World Sport (8519715) **10.00** Gaelic Games (8699574) **11.00** Golden Moments of Olympics (9769086) **11.30-1.00am** Bobby Charlton's Football Scrapbook (5291406)

SKY SPORTS 3

12.00 Super League (12858087) **2.30pm** Powerboat and Jetski World (16833357) **3.00** Aussie Rules (95552425) **5.00** Wrestling (52327628) **6.00** Inside the PGA Tour (19834085) **6.30** Trans World Sport (62799798) **7.30** Golf: Irish Open (70890512) **9.00** Live US Golf (87328680) **11.00-11.30** Full Throttle (60110390)

EUROSPORT

7.30am Women's Golf (30898) **8.30** Motors (16528) **9.30** Football: World Youth Championship (58970) **10.30** Athletics (70932) **12.00** Mountain Bike (25425) **1.00pm** Live Football (89357) **3.00** Rowing (7406) **3.30** Athletics (21357) **5.00** Sumo (1086) **6.00** Weightlifting (21809) **7.00** Football (75406) **9.00** Football: World Youth Championship (70390) **10.00** Cycling (10965) **10.30** Boxing (37088) **11.30** Sailing (44048) **12.00-12.30** Cycling (43704)

UK GOLD

7.00am Animal Magic (6923425) **7.35** Neighbours (5428203) **8.00** Crossroads (3522113) **8.25** EastEnders (7950135) **9.00** The Bill (4708932) **9.30** Spring and Autumn (8242845) **10.00** Tellystack (1464951) **10.30** The Sullivans (4704116) **11.00** Casualty (48536512) **12.05pm** Crossroads (61053067) **12.30** Neighbours (8346861) **1.00** EastEnders (5894796) **1.35** No Place Like Home (5762661) **2.15** The Liver Birds (2283512) **2.50** It Ain't Half Hot, Mum (1813929) **3.30** The Bill (9376932) **4.00** Boon (11103919) **5.00** Generation Game (68266067) **6.05** EastEnders (8561884) **6.40** Sykes (7448154) **7.20** Dr Who (5572932) **7.50** Only When I Laugh (1596339) **8.30** Hi-De-Hi (8036067) **9.00** The Bill (11092203) **9.30** Chancer (75854654) **10.35** Bottom (2599116) **11.15** Live at Jongleurs (8094195) **11.45** Gold Goes Pop (1622203) **12.30am** It's a Knockout (1854988) **1.20** Big Deal (52211407) **2.15** Shopping (28177891)

GRANADA PLUS

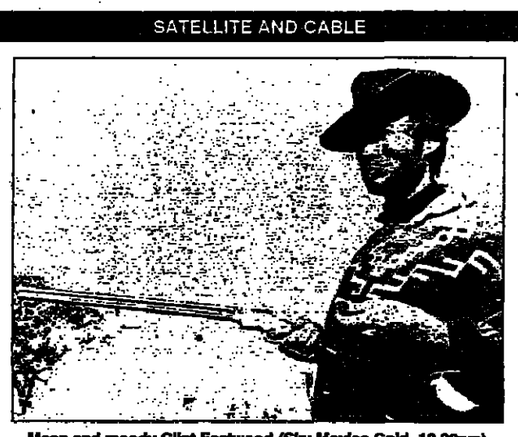
6.00am The Box (1854319) **7.00** Coronation St (7538112) **7.30** Families (4588896) **8.00** Surprise, Surprise (4361777) **9.00** Dempsey and Makepeace (5108357) **10.00** Gentle Touch (2683262) **11.00** London's Burning (8263406) **12.00** Coronation St (4418338) **12.30pm** Families (5317339) **1.00** Two's Company (6983654) **1.30** The Good Life Guide (4082080) **2.00** Surprise, Surprise (9390086) **3.00** Gentle Touch (5128338) **4.00** Dempsey and Makepeace (5107845) **5.00** London's Burning (1002067) **6.00** Families (6963883) **6.30** Coronation St (6974135) **7.00** Gentle Touch (1851390) **8.00** Dempsey and Makepeace (1877338) **9.00** Coronation St (5136357) **9.30** Wheellappers and Shunters (9717185) **10.00-11.00** London's Burning (1850661)

THE DISNEY CHANNEL

6.00am Mouse Tracks (8230661) **6.25** Quack Attack (6258786) **6.50** Bonkers (7250767) **7.15** Little Mermaid (4500796) **7.40** Aladdin (7632512) **8.05** Quack Pack (7695883) **8.30** Goof Troop (39154) **9.00** Care Bears (6264845) **9.25** Umbrella Tree (6276580) **9.50** Muppet Babies (7822864) **10.15** Groundling Marsh (9762319) **10.40** Sing Me a Story (5762393) **11.05** Mouse and Mole (3451425) **11.10** Big Garage (6780721) **11.25** Pooh Corner (5643951) **11.55** Fraggle Rock (8218086) **12.20pm** Mouse Tracks (1478796) **12.45** Timon and Pumbaa (35397777) **1.00** Boy Meets World (53821574) **1.25** Bonkers (77416651) **1.50** Quack Pack (39658961) **2.15** Aladdin (69464357) **2.40** Care Bears (7424222) **3.00** Little Mermaid (43886909) **3.25** Timon and Pumbaa (67874065) **3.40** Goof Troop Double Bill (6888889) **4.30** Chooseday (6086) **5.00** Aladdin (4018135) **5.25** Timon and Pumbaa (53003818) **5.35** Mighty Ducks (717154) **6.00** New Doug (7951) **6.30** Boy Meets World (8203) **7.00** Brotherly Love (1929) **7.30 FILM: Man of the House** (643191) **9.00** David's World (98222) **9.30-10.00** Golden Gals (57048)

FOX KIDS NETWORK

6.00am Three Little Ghosts (5361593) **6.30** Inspector Gadget (6509512) **7.00** Samurai Pizza Cats (6490203) **7.30** Power Rangers Zeo (6419338) **8.00** Beetleborgs (8203777) **8.30** Crocadoo (8200043) **9.00** Rimba's Island (6047883) **9.25** The Magic Box (9305086) **9.45** Dudley the Dragon (2824932) **10.05** Rimba's Island (7040319) **10.25** The Magic Box (6900048) **11.00** Jin Jin and the Panda Patrol (6321406) **11.30** Pinocchio (6322135) **12.00** Inspector Gadget (8206864) **12.30pm** VR Troopers (59126816) **12.50** Power Rangers Zeo (73526872) **1.10** Beetleborgs (12762406) **1.30** Eek! (9245933) **2.00** Life with Louie (8755749) **2.30** Crocadoo (5936057) **3.00** Gadget Boy (9200834) **3.30** Eek! (5931512) **4.00** Life with Louie (5927319) **4.30** Power Rangers Zeo (5916203) **5.00** Beetleborgs (9855059) **5.30** Spiderman (5930883) **6.00** X Men (5837796) **6.30-7.00** Goosebumps



Mean and moody Clint Eastwood (Sky Movies Gold, 10.00pm)

TCC

6.00am Izzogoud (46593) **6.30** Danger Mouse (67512) **7.00** Dennis the Menace (98970) **7.30** Where's Wally (84777) **8.00** Batman (43357) **8.30** Art Attack (78357) **9.30** Earthworm Jim (62970) **10.00** Gravedale High (58864) **10.30** Flash Gordon (22864) **11.00** Creepy Crawlers (81932) **11.30** Cadillacs and Dinosaurs (82661) **12.00** Gravedale High (13116) **12.30pm** Stunt Dawgs (73086) **1.00** Batman (97241) **1.30** Dangermouse (72357) **2.00** Creepy Crawlers (2357) **2.30** Flash Gordon (9786) **3.00** Sonic (1864) **3.30** Earthworm Jim (4241) **4.00** Dennis the Menace (4208) **4.30-5.00** Art Attack (9832)

CARTOON NETWORK

Non-stop cartoons from **5.00am** to **9.00pm**. Includes Tom and Jerry, Popeye and The Flintstones

NICKELODEON

6.00am Count Duckula (43749) **6.30** Rocko (60086) **7.00** Hey Arnold! (68116) **7.30** Rugrats (70951) **8.00** Doug (72845) **8.30** Arthur (71116) **9.00** CBBC (17067) **10.00** Wimzie's House (51338) **10.30** Babar (84680) **11.00** Magic School Bus (76086) **11.30** Victor and Maria etc (77715) **12.00** Bananas in Pyjamas (75932) **12.30pm** Richard Scarry (19864) **1.00** CBBC (14319) **2.00** Dr Seuss (1845) **2.30** Arthur (9593) **3.00** Alvin (3680) **3.30** Bruno the kid (1338) **4.00** Hey Arnold! (3195) **4.30** Rugrats (9357) **5.00** Sister Sister (5425) **5.30** Keenan and Kel (3339) **6.00** Alex Mack (8262) **6.30-7.00** Doug (1574)

TROUBLE

12.00 Byker Grove (4713864) **12.30pm** Ready or Not (8271357) **1.00** Madison (9978715) **1.30** Sweet Valley High (8270628) **2.00** Swan's Crossing (2271319) **2.30** No Naked Flames (9399663) **3.00** Byker Grove (2283154) **3.30** Hangtime (9301628) **4.00** California Dreams (98801135) **4.30** Saved by the Bell (9986319) **5.00** Sweet Valley High (2295999) **5.30** Ready or Not (93006899) **6.00** Hangtime (8390512) **6.30** Madison (9381864) **7.00** Saved by the Bell (2275135) **7.30-8.00** California Dreams (9387048)

BRAVO

6.00pm New Twilight Zone (2284983) **8.30** Monsters (2263390) **9.00** Burning Zone (6818425) **10.00** Tour of Duty (6811512) **11.00 FILM: Rage and Honor II** (7230609) **1.00am** Burning Zone (4634520) **2.00** Tour of Duty (50963297) **3.00 FILM: Class of Nuke 'em High Part II: Subhumanoid Meltdown** (8293617) **5.00** New Twilight Zone (6267568) **5.30** Monsters (1312704)

PARAMOUNT COMEDY

7.00pm Roseanne (87680) **8.00** E UK (1606) **8.30** Almost Perfect (4636) **9.00** Cheers (56222) **9.30** Cybill (39628) **10.00** Fraser (76661) **10.30** Monty Python (92609) **11.00** We Know Where You Live (252964) **11.25** Robin (155135) **11.30** Nightstand (65864) **12.30am** Sledgehammer (13029) **1.00** Cheers (73617) **1.30** Cybill (12094) **2.00** E UK (34891) **2.30** We Know Where You Live (53936) **3.00** Fraser (86181) **3.30-4.00** Almost Perfect (44278)

THE SCI-FI CHANNEL

1.00am The Twilight Zone (8801926) **1.30** One Step Beyond (8171920) **2.00** Friday the 13th (9873617) **3.00-4.00** Dark Shadows (8868742)

HOME & LEISURE

9.00pm The Joy of Painting (4706574) **9.30** Garden Calendar (8273715) **10.00** Go Fishing (1462593) **10.30** Room Service (4735086) **11.00** Room for Improvement (1127609) **11.30** This Old House (1128338) **12.00** Just for Starters (4726338) **12.30am** Julia Child (8244203) **1.00** Graham Kerr (9941661) **1.30** Home Again (8243574) **2.00** Tool Box (2277583) **2.30** Furniture on the Mend (93002357) **3.00** Our House (2296628) **3.30** This Old House (9374574)

DISCOVERY

4.00pm The Extremists (9393609) **4.30** Driving Passions (9382593) **5.00** Time Travellers (2268645) **5.30** Justice Files (9373845) **6.00** Wild Things (8252222) **7.00** Beyond 3000 (2286609) **7.30** Disaster (9383222) **8.00** Science Frontiers (6801135) **9.00** Flightline (1107845) **9.30** War (8264057) **10.00** Justice Files (4727067) **10.30** Justice Files (4736716) **11.00** The Professionals (9868339) **12.00** First Flights (1124549) **12.30am** Fields of Armour (9501297) **1.00** Disaster (4690568) **1.30-2.00** Beyond 2000 (7110891)

THE HISTORY CHANNEL

4.00pm Lord Mountbatten (9788357) **5.00** American Revolution (8241406) **6.00** Ancient Mysteries (9236951) **7.00-8.00** Biography: Jules Verne (8680203)

CHALLENGE TV

Win with **Prize Time** twice an hour
5.05pm Cross Wits (7178796) **5.50** Family Fortunes (7928845) **6.30** Catchphrase (6158863) **7.05** Winner Takes All (742661) **7.40** Give Us A Clue (5538564) (4154252) **8.20** All Clued Up (695574) **9.00** Through the Keyhole (9433819) **9.35** Sale of the Century (838048) **10.10** Treasure Hunt (3111154) **11.20** Studs (8111154) **12.00** Winner Takes All (94452) **12.30am** Hart to Hart (63839) **1.30** Moonlighting (68758) **2.30** African Skies (91100) **3.00** My Two Dads (24365) **3.30** Big Brother Jake (82452) **4.00** Fall Guy (47015) **5.00** HSN

UK LIVING

7.00am Tiny Living (36774135) **9.05** A Woman Called Smith (4829786) **9.15** Gordon Elliott (3132661



GOLF 48
Downpour fails to dampen spirits of cup contenders

SPORT

CRICKET 50
Can Warne still turn the screw at Old Trafford?



THURSDAY JULY 3 1997

Patriotism reaches fever pitch as British duo battle for right to meet in semi-final

Henman finds the finishing touch

BY JULIAN MUSCAT, TENNIS CORRESPONDENT

IT IS hard to recall a man *better cast for the saddle of* expectation than Tim Henman. The British No 1 yesterday fulfilled the promise of Tuesday evening and consigned Richard Krajicek's Wimbledon reign to history. Now Henman and Greg Rusedski are poised to script some of their own. In the quarter-finals on No 1 Court today, Henman tackles Michael Stich and Rusedski faces Cedric Pioline for the right to play each other in the penultimate round. Last night, the bookmakers quoted odds of 9-4 for a British champion on *Sunday*.

Henman has won only one significant title but he is otherwise to the manner born. His comfort was evident on Tuesday, in spite of the premature conclusion to a struggle turning inexorably his way. Indeed, it was Henman, not Krajicek, whose aura infused the Centre Court on the resumption yesterday. It was he, not Krajicek, who passed as the champion. Now he must strive to become one.

"I feel very confident," Henman said after completing his 7-6, 6-7, 7-6, 6-4 victory. "This is the biggest tournament in the world and I have just beaten last year's champion. It is probably the biggest win of my career. For sustained quality, this is some of the best tennis I have ever played."

Henman resumed with a healthy advantage but a fast start was imperative to keep Krajicek on the leash. Having started slowly in each of his three previous matches, *Henman immediately found a* purposeful stride. Instead, it was Krajicek who toiled, *reopening the contest with a* double fault that must have arrested his hopes in their tracks.

The error suggested Krajicek's mind had been poisoned by the overnight deficit, an impression endorsed by his reckless and unnecessary flirtation with the lines. Krajicek, of Holland, certainly looked the more vulnerable — and so it proved when he played a quite shocking service game at 2-2 and was broken to love.

Minutes later, with Henman serving at 4-3, a solitary break point came Krajicek's way. It was soon negated by an opponent with the winning post in sight. Henman played a near-perfect set, never allowing his opponent to raise his ambitions. His reflexes at the net resembled those of a cobra *as he struck his volleys with* deadly accuracy. He finished the match in style, too, serving *up a love game to his legion of* adoring spectators.

Henman's reward for mastering Krajicek is a tussle with Stich, the champion here in 1991. Stich, who plans to retire at the end of the year, is free of *inhibition*. Yet Henman must fancy his chances of repeating his victory over the German on their only previous encounter. "I played very well against him in Munich [in October] but he has definitely improved his game. He is very relaxed and that is when he plays his best tennis. He is going to be dangerous."

Henman, 22, knows that nothing less than victory will suffice. After Rusedski completes his match, Henman will step on court bearing the weight of a nation's hopes. Few competitors have the *desire or the temperament to* carry that burden like Henman. He raises his game, and with it, the prospect of a first British finalist at Wimbledon in 59 years.

Henman thrives on the energy of a baying crowd. He responds to their promptings. "The crowd is constantly behind me, constantly lifting me to greater heights," he said. "Whenever I struggle they give me confidence and keep willing me on. The crowd on Sunday has set the standard. That day will stand out forever and everyone who comes here *is trying to repeat that.*" Amid mounting excitement, Henman will be counting on them again today.

Before that, Rusedski, opposed by Pioline, of France, enters an arena he has made *his own this Wimbledon. It* will be his fourth visit in five matches to a court that Pioline has never seen. Pioline has never seen Rusedski's game, either, but he might be aware of Rusedski's appetite for his *countrymen*. Rusedski beat three French opponents en route to the fourth round here two years ago, but Pioline boasts the superior grand-slam pedigree.

He reached the US Open final in 1993, when he was ranked among the top ten in the world. Two years ago, he extended Boris Becker to five sets here in the quarter-finals. He makes his third quarter-final appearance at Wimbledon against Rusedski, who has never previously progressed this far. "I know what it is like to play a big match on a big court," Pioline said. "Everybody expects Rusedski to play well in front of his crowd and beat me, so it is not an easy situation for him."

Rusedski, not surprisingly, sees it differently. Asked about *the growing pressure on him*, he said: "What pressure do I have on myself? I go out there and give it my best shot. That's the attitude I'm trying to take to the court with me. I think I can go a long way with the support I have."

Like Henman, Rusedski is playing some of the best tennis of his career. As important *within his inherently nervous* disposition has been his peace of mind.

"I am fresh, focused and I'm up for it," he said. "If you can't get up for Wimbledon then there's nowhere you can get up for. It is definitely a good opportunity playing Cedric Pioline. There are a lot tougher matches."

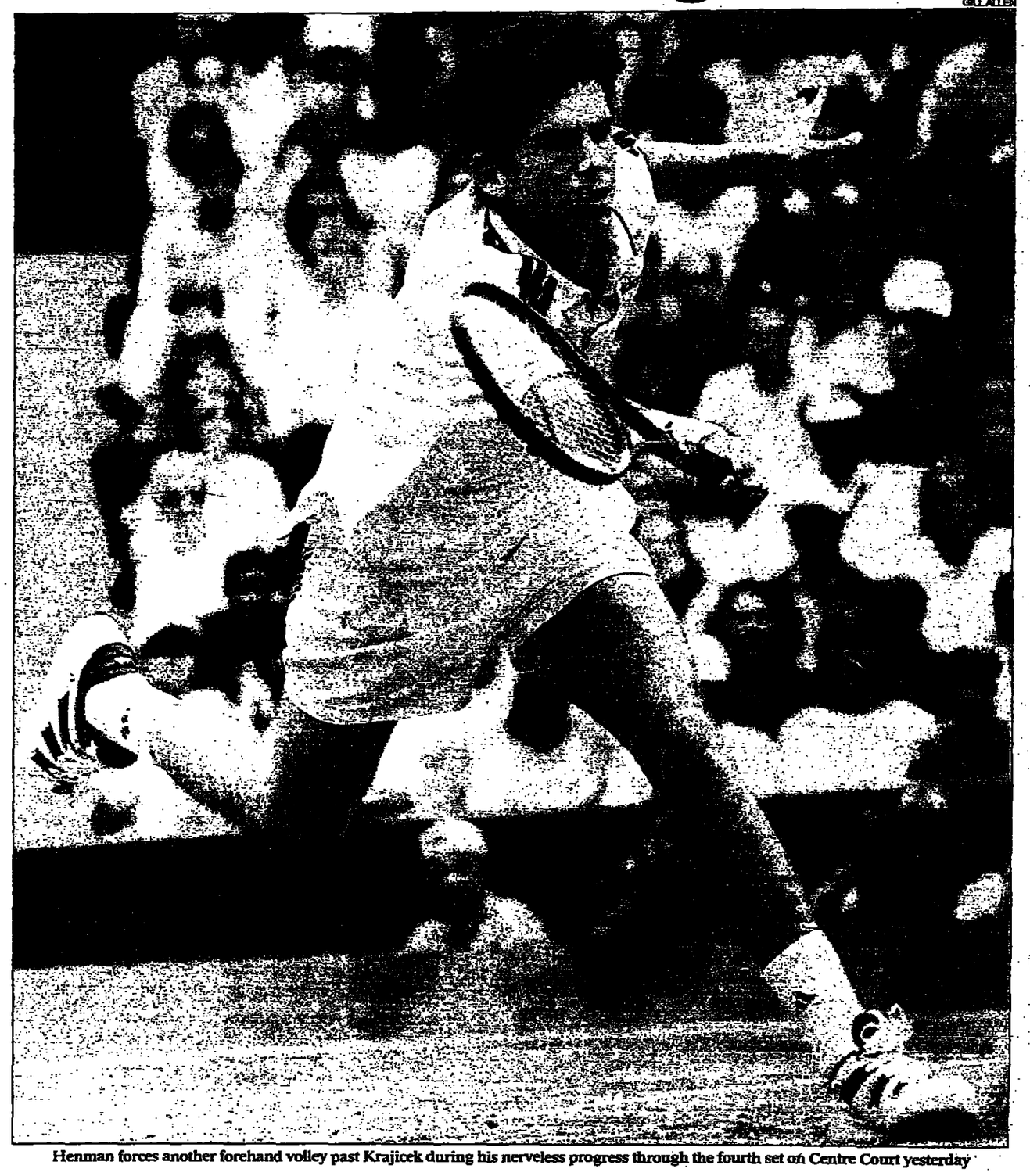
Rusedski had in mind the quarter-final pitting Becker with another three-time Wimbledon winner, Pete Sampras, who yesterday survived a demanding five-set examination from Petr Korda. The fourth quarter-final brings together two unseeded opponents in Todd Woodbridge, of Australia, and Nicolas Kiefer, the *third German among the last* eight.

Sampras's view, page 52
Results, page 52

THE CHAMPIONSHIPS WIMBLEDON

QUARTER-FINALS
P SAMPRAS (US) v B BECKER (Ger)
N Kiefer (Ger) v T Woodbridge (Aus)
M Stich (Ger) v T HENMAN (GB)
G Rusedski (GB) v C Pioline (Fr)
COVERAGE: Television: BBC1: Live 1.40-4 10pm BBC2: Live 12.30-8 0pm; highlights 9.40-10.35pm. Radio: BBC Radio 5 Live: 1.30-8pm.
WEATHER: Sunny periods with showers.

GILL ALLEN



Henman forces another forehand volley past Krajicek during his nerveless progress through the fourth set on Centre Court yesterday

Girl power adds extra spice

BY NICK SZCZEPANIK

THE women's semi-finals at Wimbledon today offer two matches that could scarcely provide a greater contrast. The first matches two 16-year-olds — Martina Hingis, the top seed and world No 1, and Anna Kournikova, the unseeded Russian. Although they have played each other before *as juniors, including once at* Wimbledon, this will be only their second meeting on the senior tour. The previous encounter came on clay in the French Open this year, when Hingis won in straight sets.

"I played very well in Paris," Hingis said, "but here, on this surface, I think she feels much more confident. It is going to *be a very good match. She has* beaten a couple of great players."

The other match brings together two more experienced women who know the pain of losing Centre Court finals — Arantxa Sánchez Vicario, of Spain, and Jana Novotna, of the Czech Republic. They have played each other 16 times, with eight wins each, but the seventeenth will also be their first grass-court meeting, not *counting the unfinished final* of the Direct Line tournament at Eastbourne last month.

Either would relish the opportunity to banish painful memories. Novotna, 28, will always be remembered for the 1993 final, *when she sobbed on* the shoulder of the Duchess of Kent as she received her runner's-up medal after throwing away a winning position in her match against Steffi Graf. Sánchez Vicario, 25, has been the losing finalist *in each of the past two years*: 12 months ago, she borrowed the winner's plate from Steffi Graf during the presentation and hugged it to herself, to general amusement, but her desire to get her hands on it for real was only underlined.

The erstwhile doubles partners, with 15 titles to their credit between 1993 and 1996, had a falling-out during the 1996 Olympic Games, but Novotna claimed that there *was no residue of ill-feeling*. However, she is not as convinced as some that Sánchez Vicario is back to her best form. "It's hard to tell how well she is playing. She had a very good draw, she had *some easy rounds and she* came through," Novotna said.

Yesterday, against an opponent who had gone through an intense, rain-interrupted three-set match on Tuesday, was not quite as easy as *Natalie Tauziat had suggested* when she said on the eve of the match that she had no chance against Sánchez Vicario on grass. Psychology or not, it looked a fair assessment as Tauziat lost her first two *service games cheaply and the* first set 2-6, but the second set was more of a struggle. Sánchez Vicario needed all her tenacity to hang on, but Tauziat did not help her own cause with a succession of *unforced errors*, eventually losing 5-7.

Novotna's convincing 6-3, 6-3 victory over Yayuk Basuki, of Indonesia, gave little indication that she, too, had had a tough three-set match the previous day. Novotna put Basuki's service under constant pressure at the net, but her own was seldom threatened. She showed her delight on the key points of the sixth game of the second set, when she broke Basuki thanks to *two volleys and a drifting* cross-court forehand. There was a double-fisted salute when she put away the final volley and, finally, a smile.

The other semi-finalists have no such history. *Kournikova is appearing in* her first Wimbledon, while Hingis reached the fourth round last year. Kournikova's victory over Iva Majoli, the No 4 seed and French Open champion, was the biggest *surprise yesterday*. The Russian had dropped the first set of her previous three games in the tournament, but triumphed in straight sets yesterday, 7-5, 6-4. Hingis, as expected, made relatively short work of Denisa Chladkova, winning 6-3, 6-2.

Simon Barnes, page 52

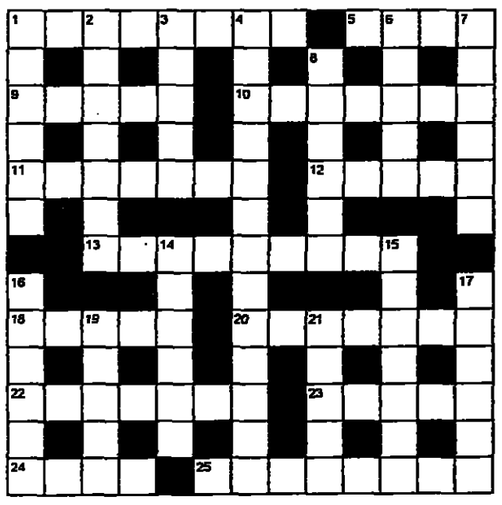
WOMEN'S SEMI-FINAL LINE-UP



Youth and experience: Hingis faces Kournikova while Novotna meets Sánchez Vicario

TIMES TWO CROSSWORD

No 1136 in association with BRITISH MIDLAND



ACROSS
1 Similarly (8)
5 Fall in heap; fail (4)
9 Bundle of corn (5)
10 Pride-punishing goddess (7)
11 Book; cool manner (7)
12 Cleopatra's country (5)
13 Check (text) for errors (9)
18 Something valuable (5)
20 Improve function of (7)
22 Reference book of the famous (4,3)
23 Loft (5)
24 Little — (*Old Curiosity Shop*) (4)
25 Maker of goods, programmes (8)

DOWN
1 Radiance, sheen (6)
2 Dance, esp. for Mother Brown (5-2)
3 Biscuit with ice-cream (5)
4 Ability to see joke (5,2,6)
6 Full of energy, health (5)
7 Money in Madrid (6)
8 Obstruct (6)
14 Capital of Canada (6)
15 Severe (measures) (7)
16 Evolution theorist (6)
17 Sportsman with sword (6)
19 Low backless seat (5)
21 Chemical-secreting organ (5)

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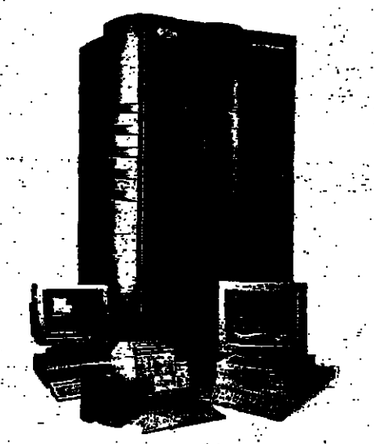
All flights are subject to availability.

Post your entry to Times Two Crossword, PO Box 6886, London E2 8SP to arrive by next Monday. The winners' names and solution will appear on Wednesday.

Name/Address .....

SOLUTION TO NO 1135
ACROSS: 1 Patina 4 Peaked 8 Lark 9 Taxpayer 10 Camcorder 13 Amber 15 Strut 16 Sauté 18 Stressful 21 Province 22 Yaws 23 Pedant 24 Tartly
DOWN: 1 Police 2 Tiramisu 3 Actor 5 Euphrates 6 Keys 7 Durbar 11 Obsession 12 Dürer 14 Bouffant 16 Slip up 17 Glassy 19 Erect 20 Ford

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